

# 21<sup>st</sup> EPIRA Implementation Status Report

(Period Covering May 2012 to October 2012)

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Department of Energy

*With Contributions from*

Energy Regulatory Commission  
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## I. INTRODUCTION

The 21<sup>st</sup> Status Report on EPIRA implementation covering the period May 2012 to October 2012 embarks the current accomplishments and developments in the restructuring of the electric power industry as provisioned in Republic Act No. 9136, otherwise known as *Electric Power Industry Reform Act (EPIRA) of 2001*.

The present administration strongly pursues the reforms embodied in the EPIRA and is now in preparation for the implementation of retail competition of open access which is viewed to improve competition in the generation and supply sector and ultimately competitive cost of electricity. Public consultations were conducted on the general policies and guidelines that will govern the operations of RCOA while timelines for the implementation have been defined.

There was no significant development made on the privatization of generating assets and IPP contracts except for the lifting of the temporary restraining order issued by the court in view of a petition filed by non-government organizations. The schemes for the privatization of remaining assets are now being studied carefully to balance with other EPIRA set goals. Indicative timelines have been set for each plant and IPP contracts as indicated in this report.

In terms of ensuring supply security and reliability, the efforts were more focused in addressing the situation in Mindanao while for Luzon and Visayas, the long-term vision is to put in place and enforce a robust reliability standards while continuing to assist the private sector in general.

The operations of the Wholesale Electricity Spot Market's (WESM) continuous improvement were effected through the conducts of rules review and changes as necessary, regular audits and regular monitoring of the behavior of market participants.

## II. PRIVATIZATION

### A. Privatization of Generating Assets

Pursuant to EPIRA, PSALM's will continue to privatize its remaining generating assets with indicative privatization schedule summarized in the table below.

*Table 1. Schedule of Privatization for Generating Assets as of 31 October 2012*

Asset Type	Plant Name	Rated Capacity (MW)	Bid Date	Turn Over Date	
<b>Luzon Grid</b>					
<b>Owned Generating Plants</b>	Malaya Thermal	650.00	2014	2015	
	<b>Sub-total Luzon</b>	<b>650.00</b>			
	<b>Visayas Grid</b>				
	PB 101 (Diesel/Bunker)	32.00	2012	2012	
	PB 102 (Diesel/Bunker)	32.00			
	PB 103 (Diesel/Bunker)	32.00			
	Cebu Thermal 1 & 2 (Naga Complex)	109.30	2013	2013	
	Cebu Diesel (1-6) (Naga Complex)	43.80			
	<b>Sub-total Visayas</b>	<b>249.10</b>			
	<b>Mindanao Grid</b>				
PB 104 (Diesel/Bunker)	32.00	2012	2012		

Asset Type	Plant Name	Rated Capacity (MW)	Bid Date	Turn Over Date
	Agus 1 & 2 Hydro	260.00	2014	2015
	Agus 4 & 5 Hydro	213.10		
	Agus 6 & 7 Hydro	254.00		
	Pulangui Hydro	255.00		
	<b>Sub-total Mindanao</b>	<b>1,014.10</b>		
	<b>GRAND TOTAL</b>	<b>1.913.20</b>		
<b>Decommissioned Plants</b>	Bataan Thermal	-	2013	2013
	Sucat Thermal	-	2013	2013

Source: PSALM

Negotiations between PSALM and the Trans-Asia Oil (TAOil) and Energy Development Corporation for the sale of Power Barges (PBs) 101-104 were declared a failure after TAOil declined to meet the reserve price set by the PSALM Board for the power facilities. TAOil, an affiliate of the Phinma Group, was the lone bidder that submitted the required documents for the power barges in the second round of bidding conducted on 17 August 2012.

The bidding for the procurement of a one (1)-year Operation and Maintenance Service Contract (OMSC) for the 650- megawatt (MW) Malaya Thermal Power Plant was conducted on 17 August 2012. SPC Power Corporation was the lone bidder which was declared eligible during the bidding. However, SPC was post disqualified due to some documentary deficiencies rendering the bid a failure on 29 August 2012.

The Temporary Restraining Order (TRO) on the transfer of the 218 MW Angat to Korea Water Resources Corporation (K-WATER), was lifted last 09 October 2012 by virtue of a decision/resolution issued by the Supreme Court (G.R. Number 192088) on the petition filed by the Initiatives for Dialogue and Empowerment through Alternative Legal Services, Inc. (IDEALS), Freedom from Debt Coalition (FDC), AKBAYAN Citizen's Action Party (AKBAYAN) and Alliance of Progressive Labor for a temporary restraining order (TRO) and/or writ of preliminary injunction on the bidding conducted and Notice of Final Award issued by PSALM relative to the privatization of the Angat HEPP. The Supreme Court rendered the following dispositions in order, to wit:

- 1) The bidding conducted and the Notice of Award issued by PSALM in favor of the winning bidder, Korea Water Resources Corporation (K-WATER), are declared Valid and Legal;
- 2) PSALM is directed to furnish the petitioners with copies of all documents and records in its files pertaining to K-Water;
- 3) *Section 6 (a), Rule 23, IRR of the EPIRA*, is hereby declared merely DIRECTORY, and not an absolute condition in all cases where NPC-owned hydropower generation facilities are privatized;
- 4) The National Power Corporation (NPC) shall continue to be the holder of Water Permit No. 6512 issued by the National Water Resources Board. NPC shall authorize K-Water to utilize the waters in the Angat Dam for hydropower generation, subject to the National Water Resources Board's (NWRB) rules and regulations governing water right and usage. The Asset Purchase Agreement and Operation & Maintenance Agreement between NPC/PSALM and K-Water are thus amended accordingly.

- 5) Except for the requirement of securing a water permit, K-Water remains bound by its undertakings and warranties under the APA and O&M Agreement;
- 6) NPC shall be a CO-PARTY with K-Water in the Water Protocol Agreement with MWSS and NIA, and not merely as a conforming authority or agency; and
- 7) The Status Quo Ante Order issued by this Court on May 24, 2010 is hereby lifted and set aside.

PSALM will resume the bidding for the one-year OMSC of the 145.8-megawatt (MW) Naga Power Plant Complex on November 2012. The Naga Power Plant Complex comprises three (3) thermal power plants that use a combination of diesel, bunker C oil, and coal as fuel. These are the coal-fired 50-MW Cebu Thermal Power Plant 1 and 56.8-MW Cebu Thermal Power Plant 2; and the 39-MW Cebu Diesel Power Plant 1 which consists of six (6) diesel-fed power units with 6.5-MW capacity each. The plant complex is currently under an OMSC with SPC Power Corporation.

Annex 1 shows the list of the privatized power generation assets as of the report period.

## B. Privatization Proceeds

As of the report period, the generated privatization proceeds of PSALM was US\$10.210 Billion while actual collection amounted to US\$5.985 Billion. The proceeds were utilized for debt prepayment, regular payment of debts and IPP obligations, and payment of other privatization-related expenses with details indicated in Table 2.

Table 2. Generated and Collected Proceeds of Privatization as of 31 October 2012, (In US\$Billion)

Privatization Assets	Generated	Collected
Generating Assets	3.027	3.064*
Decommissioned Plants	0.004	0.004
Transmission Asset (TransCo)	3.950	2.074**
Appointment of IPPAs	3.229	0.843
<b>TOTAL</b>	<b>10.210</b>	<b>5.985</b>

\*Includes collections of bid price components and interest based on APA/AA, forfeited performance bond and other collections not within the scope of APA/AA;

\*\*Includes interest on Concession amounting to US\$0.782 billion

Source: PSALM

Table 3. Utilization of Privatization Proceeds as of 31 October 2012

Privatization Proceeds Utilized	In US\$ Billion
Debt Prepayment	1.298
Regular Debt Service	3.186
Lease Obligations	1.498
Others	0.054
<b>TOTAL</b>	<b>6.036</b>

\* The US\$0.17 billion difference in Total Proceeds Collected and Total Proceeds Utilized came from interest income from placements of the privatization proceeds, forfeited performance bonds and other privatization collections.

Source: PSALM

### C. Transfer of NPC-IPP to Independent Administrators

Table 4 shows the indicative schedule for the appointment of IPP Administrators in the remaining NPC-IPP contracts in Luzon, Visayas and Mindanao Grids as of 31 October 2012.

Table 4. Indicative Schedule for Appointment of IPP Administrators as of 31 October 2012

Grid	Plant Name	Contracted Capacity (MW)	Bid Date	Turn Over Date
<b>Luzon Grid</b>	Casecnan Multi-Purpose Hydro	140.00	November 2012	January 2013
	Benguet Mini Hydro	30.75		
	Caliraya-Botocan-Kalayaan Hydro	728.00	2013	2013
	<b>Sub-total Luzon</b>	<b>898.75</b>		
<b>Visayas Grid</b>	Unified Leyte	559.00	2012	2012
	<b>Sub-total Visayas</b>	<b>559.00</b>		
<b>Mindanao Grid</b>	SPPC Diesel	50.00	2014	2015
	WMPC Diesel	100.00		
	Mindanao Coal-Fired	200.00	2015	2016
	Mt. Apo 1 Geothermal	44.52		
	Mt. Apo 2 Geothermal	48.00		
	<b>Sub-total Mindanao</b>	<b>442.52</b>		
	<b>GRAND TOTAL</b>	<b>1,900.27</b>		

Source: PSALM

### D. Concession of the National Transmission Network

Based on the Concession Agreement, the National Transmission Corporation (TransCo) conducts inspection of the assets condition and Project Under Construction (PUC) accomplishments consistent with the inspection protocol established with the concessionaire.

For January 2012 to October 2012, TransCo conducted inspection of Seven (7) Project Under Construction (PUC), Two (2) New Project and Twenty Eight (28) transmission facilities as reflected in Annex 2. Further, the summary inspection report of PUC is shown in Annex 3.

### E. Sale of Sub-Transmission Assets (STAs)

The sale of TransCo's STAs involved 131 sale contracts and 107 interested distribution utilities, most of which are electric cooperatives. The STAs include some 6,200 ckt-km of mostly 69 kV transmission lines and 1,600 MVA of substation capacity. In compliance with the mandate of EPIRA and under the guidelines set by the ERC, TransCo in 2011 signed 18 sale contracts with distribution utilities amounting to about PhP1.23 Billion.

As of October 31, 2012, Transco has signed 101 sale contracts with 75 distribution utilities/electric cooperatives/consortia amounting to about PhP5.30 billion. These sales cover an aggregate length of about 3,700 ckt-kms of subtransmission lines and about 33,000 sub-transmission structures and 850 MVA of substation capacity. Of the 101 sale contracts, 45 contracts with total sale price of PhP2.3 billion have been approved by the ERC as of October 30, 2012. The rest of the sale contracts are still for ERC filing, evaluation or approval.



Following the EPIRA provision to extend concessional financing to electric cooperatives, TransCo implemented lease purchase arrangements with a term of 20 years. Of the 101 sale contracts already signed, 61 are under lease purchase agreements with 54 electric cooperatives/consortia, valued at about PhP3.42 billion. The remaining 40 involved sales to private distribution utilities/consortia.

TransCo is looking forward to the sale of about 1300 ckt-km of subtransmission lines and about 500 MVA of substation equipment among 44 interested distribution utilities/consortia for the next four years. The Energy Regulatory Commission (ERC) will come up with a clarification on the deadline of the sale of subtransmission assets connecting one DU and sale of residual STAs connecting two or more DUs soon.

The table below shows the summary of the sale as of the report period.

Table 5. Summary Table of STAs as of 31 October 2012

	DUs	MVA	CKM
North Luzon	12	0	426
South Luzon	4	30	154
Visayas	14	480	256
Mindanao	14	0	463
<b>TOTAL</b>	<b>44</b>	<b>510</b>	<b>1298</b>

Source: Transco

### III. ELECTRICITY RATES

The DOE continuously monitors data on electricity rates to provide the JCPC and the public an idea on the latest information on prices as provided by by the ERC, PSALM, NPC, TransCo, and NEA.

#### A. PSALM/NPC Effective and Basic Generation Charges

PSALM/NPC is continuously implementing the March 2009 provisionally approved Basic Generation Charges (BGC) pending ERC decision on the proposed Asset Valuation Guidelines. Meanwhile, the NPC Average Effective Rate for the report period is summarized in Table 6 below while the monthly adjustment due to foreign exchange fluctuations and fuel adjustments are reflected in Table 7.

Table 6. NPC Effective Generation Charges (PhP/kWh)

Billing Month	Billing Period	Luzon	Visayas	Mindanao
May 2012	26 April 2012 - 25 May 2012	5.7040	4.5827	2.9744
June 2012	26 May 2012 - 25 June 2012	5.6813	4.5723	2.9695
July 2012	26 June 2012 - 25 July 2012	5.6713	4.5715	2.9688
August 2012	26 July 2012 - 25 August 2012	5.6909	4.5751	2.9723
September 2012	26 August 2012 - 25 September 2012	5.6945	4.5751	2.9731
October 2012	26 September 2012 - 25 October 2012	5.6894	4.5687	2.9711

Source: NPC



Table 7. Forex and Fuel Adjustments (PhP/kWh)

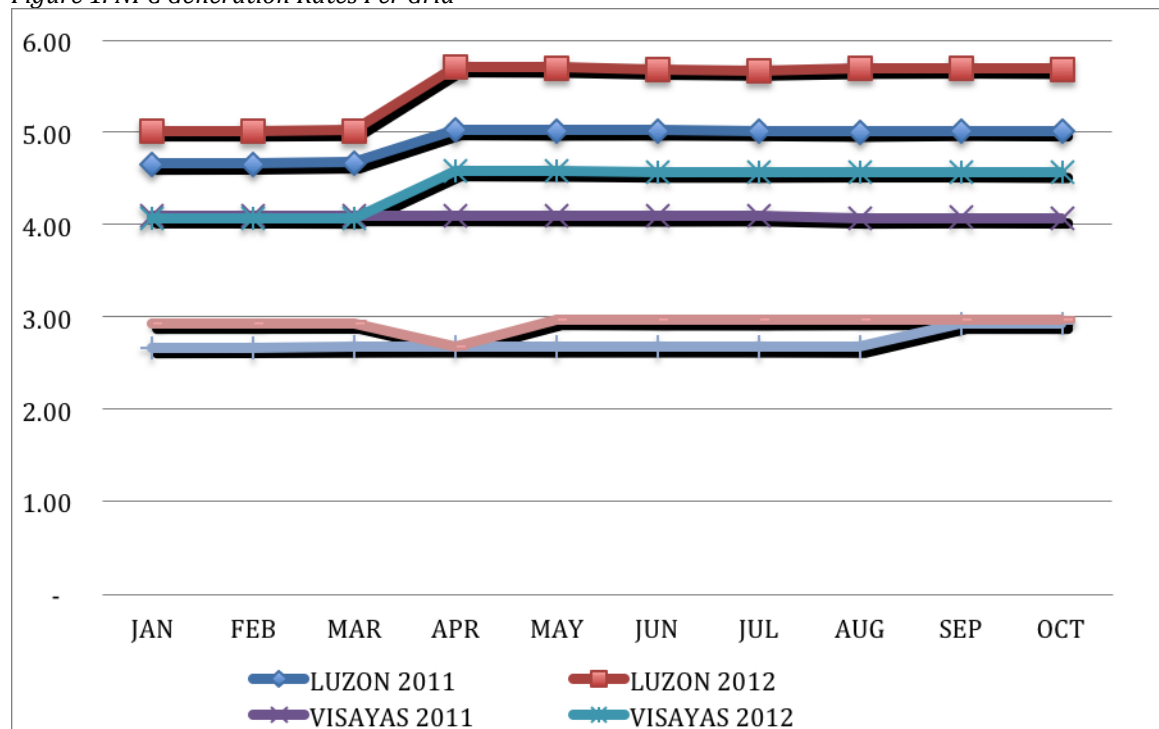
Billing Month	Luzon (Php)		Visayas (Php)		Mindanao (Php)	
	FPPCA	FxA	FPPCA	FxA	FPPCA	FxA
May 2012	0.4268	0.1975	0.2267	0.0068	0.0796	0.0047
June 2012	0.4092	0.1924	0.2162	0.0069	0.0748	0.0046
July 2012	0.4089	0.1827	0.2156	0.0067	0.0742	0.0045
August 2012	0.4208	0.1904	0.2204	0.0055	0.0776	0.0046
September 2012	0.4233	0.1915	0.2202	0.0057	0.0789	0.0041
October 2012	0.4167	0.1930	0.2144	0.0051	0.0767	0.0043

Source: PSALM

Meanwhile, PSALM has pending petition on True-up Adjustment on FPPCA and FxA covering the billing periods March 2010 to February 2011 (1<sup>st</sup> True-up Petition) and billing periods March 2011 to December 2011 (2<sup>nd</sup> True-up Petition), with a recovery period of five (5) years for Luzon and Visayas, while a refund for five (5) years for Mindanao. Public hearings for both petitions were held on 08 August 2012.

On the other hand, PSALM/NPC generation charges for years 2011 and 2012 showed the increases in its rates, as shown in Figure 1. This was due to the implementation of the ERC decision on the NPC/PSALM application of the DAA-GRAM (10<sup>th</sup> – 17<sup>th</sup>), P0.3267 per kwh per month and ICERA (15<sup>th</sup> – 16<sup>th</sup>), P0.3637 per kwh per month respectively, effective April 2012 billing period until the end of the corresponding recovery periods or until such time that the full amount have been recovered.

Figure 1. NPC Generation Rates Per Grid



Source: NPC

## A. Transmission Wheeling Rates

The NGCP's transmission rates are set in accordance with the Rules for Setting Transmission' Wheeling Rates (RTWR ) promulgated by the ERC which provides for the approval of a Maximum Allowable Revenue (MAR) including the incentives set under the Performance Incentive Scheme (PIS). Said MAR and PIS are approved by the ERC for each regulatory period and year. Following are significant updates during the report period

- On September 24, 2012, the ERC issued an Order on Case No. 2010-152 RC, in relation to NGCP's motion for reconsideration and clarification with respect to its 2011 MAR and PIS, as follows:
  - Denied the prayer to use the approved MAR for 2010 in the amount of PhP44,991.45 Million as value for  $MAR_{t-1}$  (instead of the adjusted MAR2010 of PhP43,556.45 Million net of P<sub>o</sub> adjustment of PhP1, 435 Million);
  - Denied the prayer to adjust the US\$ exchange rate for the years 2009 and 2010;
  - Granting of the prayer to adopt new weightings in the Change in Weighted Index (CWI) computation to appropriately reflect the proportions of the expenditure forecasts; and
  - Recalculation of the approved MAR2011 of PhP44,889.03 Million in the Decision dated July 4, 2011 to PhP45, 695.00 Million.

On July 9, 2012, the ERC issued an Order on ERC Case 2010-011 RC with regards to the Motion for Reconsideration filed by Cagayan Electric Power and Light Company, Inc. (CEPALCO) and the group of Mr. Agustin Antiporta, on the Ancillary Service Procurement Agreement between NGCP and Therma Marine Inc. (TMI) as approved by the ERC on its Order dated January 24, 2011. Basically, the motion points to the recomputation of the Capital Recovery Fee which was previously approved by the ERC at PhP0.77688/kWh. After considering the motions and clarifications filed by the parties, the ERC resolved to grant CEPALCO's motion and recomputed the CRF at PhP0.5150/kWh, PhP0.4912/kWh and PhP0.4675/kWh for 201, 2011 and 2012, respectively. Further, as regard to the Motion filed by TMI, the ERC clarified that the consumption cap shall be applied on a monthly basis. On the other hand, the motion filed by Mr. Antiporta was denied due to lack of merit.

## B. Distribution Utilities (DUs) Rates

The following discussions provide updates on the electricity rates for the month of May 2012 to October 2012 as well as related developments on regulatory actions, with rate cases being under the exclusive jurisdiction of the ERC.

### • *Average Effective Electricity Rates*

The country's average electricity rates as of September 2012 is PhP8.1002/kWh, PhP0.7082/kWh lower compared with the June 2012 average systems rate. Among the three major grids, Luzon has the highest rate at PhP8.4225/kWh while Mindanao remains the lowest at PhP6.2632/kWh for September 2012.

The ECs' average systems rate for September 2012 is PhP7.6511/kWh, a decrease of PhP1.0253/kWh from the June 2012 level. The largest reduction in ECs' rates was noted in the Luzon grid at PhP9.4449/kWh in June 2012 to PhP8.0417 in September 2012. Mindanao however, posted the lowest rate at PhP6.5212/kWh.

The national average systems rates of private distribution utilities (PDUs) also reduced by PhP0.3911/kWh from PhP8.9404/kWh in June 2012 to PhP8.5493/kWh in September 2012.

Table 8. Average Systems Rates, June vs. September 2012 (PhP/kWh)

Grid	Electric Cooperatives			Private Distribution Utilities			National Average		
	June-12	Sep-12	Change	June-12	Sep-12	Change	June-12	Sep-12	Change
Luzon	9.4449	8.0417	(1.4032)	9.1987	8.8033	(0.3954)	9.3218	8.4225	(0.8993)
Visayas	8.9500	8.2390	(0.7110)	8.4430	7.9852	(0.4578)	8.6965	8.1121	(0.5844)
Mindanao	6.9926	6.5212	(0.4714)	6.2037	6.0052	(0.1985)	6.5982	6.2632	(0.3350)
Philippines	8.6764	7.6511	(1.0253)	8.9404	8.5493	(0.3911)	8.8084	8.1002	(0.7082)

Sources: ECs – Monthly Financial & Statistical Report

PDUs – Monthly Operations Report

Weighted averages

The ECs' national unbundled residential electricity rate for September 2012 is PhP8.9251/kWh. Generation costs comprised 49 percent of ECs' national average effective electricity rates followed by distribution costs share of 22 percent of the total. Among the three grids, Mindanao remained to enjoy the lowest generation costs at PhP3.2350/kWh.

Table 9. EC's Unbundled Average Effective Residential Electricity Rates, September 2012 (PhP/kWh)

Bill Subgroup	LUZON		VISAYAS		MINDANAO		NATIONAL	
	PhP/kWh	Percent share	PhP/kWh	Percent share	PhP/kWh	Percent share	PhP/kWh	Percent share
Generation	4.9821	50.26	5.0206	52.18	3.2350	44.67	4.4126	49.44
Transmission	1.1209	11.31	0.9432	9.80	0.9619	13.28	1.0087	11.30
System Loss	0.9015	9.09	0.8148	8.47	0.6376	8.81	0.7846	8.79
Distribution *	2.0539	20.72	2.0745	21.56	1.7817	24.61	1.9700	22.07
Subsidies**	0.0798	0.81	0.0817	0.85	0.0712	0.98	0.0776	0.87
Government Taxes***	0.7747	7.82	0.6864	7.13	0.5536	7.65	0.6716	7.52
<b>Total</b>	<b>9.9129</b>	<b>100.00</b>	<b>9.6212</b>	<b>100.00</b>	<b>7.2412</b>	<b>100.00</b>	<b>8.9251</b>	<b>100.00</b>

Source: NEA

\* Includes Distribution, Supply and Metering Charges

\*\* Includes Lifeline and Sr. Citizen Discounts

\*\*\*Includes Universal Charges and V.A.T.

Among the PDUs, Manila Electric Company (MERALCO) has the highest average effective rate for the residential customers at PhP11.52/kWh for the billing period June 2012. On the other hand, Iligan Light & Power, Inc. (ILPI) remains to have the lowest average effective residential rates at PhP5.9626/kWh for the same billing period.

Table 10. PDU's Average Effective Rates (AER), June vs September 2012 (PhP/kWh)

PDU	Residential		Commercial		Industrial		Average Systems Rate	
	June 2012	September 2012	June 2012	September 2012	June 2012	September 2012	June 2012	September 2012
<b>Luzon Grid Average</b>	<b>11.3840</b>	<b>10.6418</b>	<b>10.2616</b>	<b>9.3372</b>	<b>8.3124</b>	<b>7.5065</b>	<b>9.1987</b>	<b>8.7885</b>
MERALCO	11.5209	10.7965	10.3026	9.3865	8.3063	7.5189	9.2143	8.8454
DECORP	10.0534	7.1443	10.0363	6.9057	9.2283	6.4560	9.9300	6.9388
LUECO	10.5421	9.1286	11.1451	9.5727	11.0790	9.5467	10.8033	9.3187
AEC	8.5102	8.0848	9.0346	8.5369	9.8181	10.0344	8.7455	7.7109
CELCOR	9.7275	8.9350	9.5082	9.0190	9.5937	8.8068	9.6055	9.2117
SFELAPCO	9.1462	8.7935	9.5624	8.8452	7.4648	6.7687	8.1995	7.5000
TEI	8.9929	8.9167	8.1611	7.6211	7.2805	6.7685	8.3029	7.7287
<b>Visayas Grid Average</b>	<b>9.3003</b>	<b>8.9593</b>	<b>9.3075</b>	<b>8.8785</b>	<b>7.9798</b>	<b>7.4326</b>	<b>8.4430</b>	<b>7.9529</b>
PECO	10.4005	9.7477	9.5693	8.9746	9.4531	8.8679	8.4812	7.7362
MECO	7.9059	8.8020	7.7761	8.6045	8.2181	8.7915	8.0297	8.7668
VECO	9.4305	8.9658	9.4995	9.1420	7.7553	7.0769	8.5088	7.9156
BLCI	8.2978	6.8586	8.1550	6.9950	0.0000			6.93758
<b>Mindanao Grid Average</b>	<b>6.7765</b>	<b>6.5625</b>	<b>6.9993</b>	<b>9.2376</b>	<b>5.8962</b>	<b>5.6814</b>	<b>6.2037</b>	<b>6.0052</b>
CEPALCO	7.5904	7.1619	7.1768	6.6141	5.8958	5.5834	6.0219	5.8679
DALIGHT	6.6385	6.3640	7.1130	6.6456	5.9436	5.7022	6.3185	6.0377
COLIGHT	6.7933	6.4675	7.2832	6.9073	6.2137	6.0961	6.6471	6.4088
ILPI	5.9626	5.8520	5.9590	5.8640	4.8435	4.4390	5.6692	5.4659
<b>National Average</b>	<b>10.9239</b>	<b>10.2362</b>	<b>10.1209</b>	<b>9.2376</b>	<b>8.0379</b>	<b>7.3223</b>	<b>8.9404</b>	<b>8.5307</b>

Source: Monthly Operations Report submitted by Private DUs (AER = Revenue over Sale), weighted averages

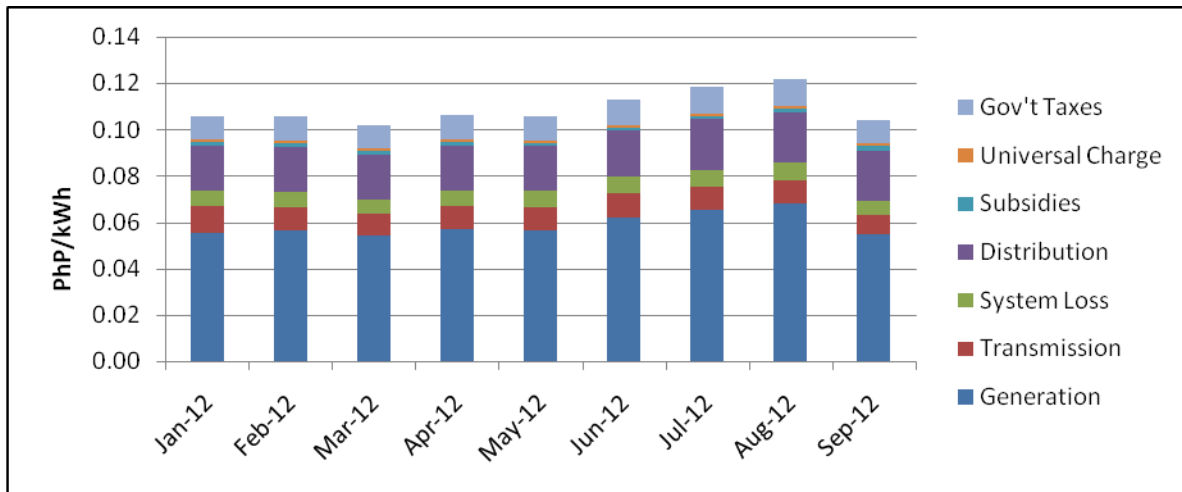
For September 2012 billing, MERALCO's effective residential rates for the different residential customer classes ranged from PhP10.4202/kWh to PhP11.8537/kWh of which the highest component was generation costs at PhP5.4574/kWh. Meanwhile, MERALCO distribution charges for its different residential customer classes comprised 21 percent to 29 percent of the total effective residential rates equivalent to PhP2.1898/kWh and PhP3.4716/kWh, respectively.

Table 11. Summary of MERALCO Residential Unbundled Power Rates, September 2012

BILL SUBGROUP	0 to 200 kWh (P/kWh)	%	201 to 300 kWh (P/kWh)	%	301 to 400 kWh (P/kWh)	%	Over 400kWh (P/kWh)	%
Generation	5.4574	52%	5.4574	50%	5.4574	49%	5.4574	46%
Transmission	0.8364	8%	0.8364	8%	0.8364	7%	0.8364	7%
System Loss	0.6174	6%	0.6174	6%	0.6174	6%	0.6174	5%
Distribution	2.1898	21%	2.5471	24%	2.8843	26%	3.4716	29%
Subsidies*	0.1680	2%	0.1680	2%	0.1680	2%	0.1680	1%
Universal Charge	0.1188	1%	0.1188	1%	0.1188	1%	0.1188	1%
Government Taxes	1.0324	10%	1.072	10%	1.1118	10%	1.1841	10%
<b>TOTAL**</b>	<b>10.4202</b>	<b>100%</b>	<b>10.8171</b>	<b>100%</b>	<b>11.1941</b>	<b>100%</b>	<b>11.8537</b>	<b>100%</b>

Source: MERALCO Website

Figure 2. MERALCO Effective Unbundled Residential Rates, 2012



## 2. Regulatory Actions

### a. Private Distribution Utilities (PDUs)

The ERC continued to adopt phased implementation of Performance-Base Rate Methodology for PDUs to Rules for Setting Distribution Wheeling Rates (RDWR).

On 22 September 2011 the ERC posted in its website, for solicitation of the proposed revisions to the Rules for Setting the Distribution Wheeling Rates (RDWR) for the Second Entry Group of privately-owned distribution utilities under the Performance-Based Regulation (PBR) for its Third Regulatory Period of April 2013 to March 2017. The Second Entry Group or Group B is composed of Cotabato Light and Power Co. (CLPC), Iligan Light and Power, Inc. (ILPI) and Mactan Electric Power Company (MECO).

The Public Consultation on Regulatory Reset for Group B was conducted for ILPI on 17 October 2011 and on 25 October 2011 for MECO.

Complete details of PDUs' applications are shown in *Annex 4*.

## D. Administration of Universal Charge (UC)

This section provides development on the implementation of UC pursuant to *Section 34 of the EPIRA*. Highlights include status of collection and disbursements, updates on PSALM's application for the recovery of stranded contract costs and stranded debts, and the implementation of UC collection from self-generating facilities.

### 1. Total Collections/Disbursements for UC-ME and UC-EWR

Total remittances to PSALM as of 31 October 2012 amounted to PhP26.100 billion. Of this amount, PhP25.364 billion was disbursed by PSALM to the NPC-SPUG for missionary electrification and watershed rehabilitation and management in accordance

with the provisions of the EPIRA. As of the same period, total interest earnings from placements of UC funds amounted to PhP0.115 billion. This leaves the UC fund with a balance of PhP0.851 billion.

Table 12. Universal Charge Remittances, Interests and Disbursements as of 31 October 2012 (In Billion PhP)

Particulars	Remittances	Interests	Disbursements	Balances
Missionary Electrification	24.952	0.043	21.379	0.024
Environmental Charge	1.148	0.072	0.398	0.822
<b>Total:</b>	<b>26.100</b>	<b>0.115</b>	<b>25.364</b>	<b>0.851</b>

Source: PSALM

For the period May 2012 to October 2012, PSALM received a total of Php3.591billion in UC remittances from collecting entities, and disbursed to NPC-SPUG the total amount of Php3.116 billion for missionary electrification. The monthly breakdown of the collections and disbursements are provided in Table 13.

Table 13. UC Collections and Disbursements for the Period May 2012 – October 2012 (In Billion PhP)

Month	UC – ME	UC – EWR	Total	UC-ME Disbursements
May 2012	0.560	0.012	0.572	0.555
June 2012	0.616	0.014	0.630	0.585
July 2012	0.603	0.013	0.616	0.635
August 2012	0.657	0.014	0.671	0.655
September 2012	0.583	0.013	0.596	0.599
October 2012	0.572	0.013	0.585	0.558
<b>Total</b>	<b>3.591</b>	<b>0.079</b>	<b>3.670</b>	<b>3.587</b>

Source: PSALM

## 2. UC Rate Applications and ERC Orders/Decisions

- a) Missionary Electrification (ME) – NPC-SPUG filed a petition on 23 March 2012, for the approval of its recovery from the UC on the shortfalls in the Missionary Electrification Subsidy for calendar year (CY) 2012 under the True-Up Mechanism pursuant to ERC Resolution No. 11, Series 2005 and the corresponding adjustment of the UC-ME.
- b) On July 30, 2012, the ERC issued its decision on ERC Case No. 2011-074 RC, on the petition filed by for the Approval of the Recovery from the Universal Charge of the Shortfalls in the Missionary Electrification Subsidy for CY 2003 to CY 2009 Under the True Up Mechanism Pursuant to ERC Resolution No. 11, Series of 2005 and the Corresponding Adjustment of the Universal Charge for Missionary Electrification (UCME), with Prayer for the Issuance

of a Provisional Authority, National Power Corporation - Small Power Utilities Group (NPC-SPUG), applicant.

- c) The Petition was approved and accordingly, PSALM was authorized to release to NPC-SPUG the remaining amount of Php6,326,090, 190.46 pursuant to the True-up Mechanism Adjustment under Section 2 (b) of the ERC's Resolution No. 11, Series of 2005.
- d) The Decision was docketed and posted on the ERC website on 03 September 2012.
- e) Environmental Charge (EC) – on 14 March 2012 NPC filed a petition with the ERC for availment of the environmental share from the UC in the amount of Php287,436,888.65 for the year 2012; there was no disbursement made by PSALM to NPC since 2009, pending the approval of the petitions filed.

The ERC on 16 July 2012 rendered a decision authorizing PSALM to release the amount of Php58,829,083.10 to NPC to fund its CY2007 Watershed Management Program; while on 22 October 2012, the full amount was released to NPC-WMD.

#### E. Assumption of Loans of Electric Cooperatives

As of 31 October 2012, PSALM has paid the National Electrification Administration (NEA), Other Government Agencies and Local Government Units (LGUs) Php15.265 billion for the condonation of the ECs' outstanding financial obligations. The table below shows a summary of the total EC financial obligations paid by PSALM to NEA and other EC creditors and the outstanding balance as of reporting period.

Table 14. Status of Loan as of 31 October 2012 (In PhP Billion)

	Total Consumption	Actual Payments		Balance	
		Amount	%	Amount	%
NEA	17.978	15.19 <sup>1/</sup>	84.49	2.789	15.51
LGU/OGA	0.096	0.076 <sup>2/</sup>	79.17	0.019	19.79
<b>TOTAL</b>	<b>18.074</b>	<b>15.265</b>	<b>84.46</b>	<b>2.809</b>	<b>15.54</b>

<sup>1/</sup> With application of the PhP2.215 Billion collection of NEA from ECs amounting to PhP369,652,000.00

<sup>2/</sup> Net of discount from the Provincial Government of Palawan amounting to PhP3,725,000.97

Source: PSALM

Of the PhP15.189 billion total payments to NEA, about 75.14 % or PhP11.413 billion was used to pay the Rural Electrification Loans incurred by the ECs, 15.55% or PhP2.362 billion was for Mini-hydro loans, and 9.23 % or PhP1.402 billion was for Dendro Thermal loans. Payments intended for house wiring services amounted to PhP0.012 billion or 0.08 %. The summary of these payments is reflected in the table below.



Table 15. PSALM Payments per Type of Loan as of 31 October 2012 (In PhP Billion)

Type of Payment	Amount Paid	Percentage to Total
Rural Electrification Loan	11.413	75.14
Mini-hydro	2.362	15.55
Dendro Thermal	1.402	9.23
House wiring	0.012	0.08
<b>TOTAL</b>	<b>15.189</b>	<b>100.00%</b>

Source: PSALM

## F. Mandatory Rate Reduction (MRR)

Pursuant to *Section 72 of the EPIRA*, NPC continuously grant to residential customers the mandatory discount of 30-centavos/kWh. For the period May to October 2012, total discounts granted by NPC amounted to PhP494.95 million of which 73 percent were availed by residential customers in Mindanao, 23 percent in the Visayas and 4 percent in Luzon. Total discounts granted since 2001 were reflected in *Annex 15*.

Table 16. Monthly Amount Incurred by NPC for Grant of MRR, May to October 2012

Billing Month	MERALCO	REST OF LUZON	TOTAL LUZON	VISAYAS	MINDANAO	TOTAL
May 2012	1,554,330.71	2,111,281.50	3,665,612.21	18,500,897.45	61,089,720.41	83,256,230.07
June 2012	1,615,760.64	1,958,480.10	3,574,240.74	20,209,017.40	65,117,974.74	88,901,232.88
July 2012	1,496,653.14	1,913,728.50	3,410,381.64	19,926,688.18	56,887,839.01	80,224,908.83
August 2012	1,527,035.72	1,707,646.50	3,234,682.22	18,564,718.00	60,684,395.62	82,483,795.84
September 2012	1,475,938.50	1,784,565.90	3,260,504.40	17,883,184.25	60,119,644.27	81,263,332.92
October 2012	1,445,567.31	-	1,445,567.31	19,489,295.83	57,886,442.12	78,821,305.26
<b>TOTAL</b>	<b>9,115,286.02</b>	<b>9,475,702.50</b>	<b>18,590,988.52</b>	<b>114,573,801.11</b>	<b>361,786,016.17</b>	<b>494,950,805.80</b>

Source: NPC

## G. Lifeline Rate Subsidy Program

The provision of lifeline rate subsidy is allowed by *Section 73 of the EPIRA* which defines the lifeline rate as a subsidized rate given to low-income captive market end-users who cannot afford to pay at full cost.

Based on the available data provided by the ERC for October 2012, the total amount of subsidy provided to lifeline consumers was PhP430.3 million which translated to an average of PhP2.75/kWh subsidy to lifeline customers in the whole country. For that amount, every non-lifeline customers in the country provided an average of Php100 subsidy. In the MERALCO franchise area, subsidy provided by non-lifeline customers is significantly higher which amounted to PhP152/customer for the month of October 2012. Of the total lifeline subsidy, 85% were enjoyed by lifeline customers in the franchise area of PDUs while 15% were consumed by lifeline electricity end-users of ECs.

Meanwhile, Table 17 shows the October 2012 status of lifeline rate subsidy implementation, as provided by the ERC.

Table 17. Summary of Lifeline Subsidy, October 2012

Particulars	MERALCO	PDU <sup>s</sup> *	ECs	Total
Amount of Subsidy Provided by Non-Lifeline Customers (Php)	323,778,187	373,476,867	56,833,579	430,310,446
Total Consumption of Lifeline Customers (kWh)	109,573,810	133,470,840	22,968,495	156,439,335
Total Number of Lifeline Customers	2,130,627	2,664,168	1,630,701	4,294,869
Average kWh Consumption of Lifeline Customers	51	50	14	36
Total Number of Non-Lifeline Customers	3,036,178	3,923,813	3,816,541	7,740,354
Total Discounts to Lifeline Customers (Php)	332,412,555	380,730,128	47,816,030	428,546,158
<b>Average Amount of Subsidy Provided to Lifeline Customers (In Peso/kWh)</b>	2.95	2.80	2.47	2.75
<b>Average Amount of Subsidy Provided to Lifeline Customers (In Peso/Customer)</b>	151.96	140.19	34.85	100.19
<b>Average Amount of Subsidy Paid by Non-lifeline customers</b>	106.64.6401	95.18	14.89	55.59

Source: ERC

\*Includes MERALCO

#### IV. COMPETITION

This section provides an update on key areas of competition to include the operation of the Wholesale Electricity Spot Market (WESM), preparation for open access and retail competition and monitoring of compliance to *Section 45 of the EPIRA*. Significant developments include declaration of the commencement date of Retail Competition and Open Access and the increase in number of WESM participants mainly due to the integration of the Visayas WESM as well as due to the continuous implementation of the Disconnection Policy promulgated by the DOE in 2010. Further, continuous review of the rules was undertaken which led to promulgation of amendments in the WESM rules and adoption of changes in the Market Manuals.

##### A. Wholesale Electricity Spot Market Operations

As of October 2012, the integrated WESM has a total of 124 participants comprised of 54 generating companies and 47 customer trading participants comprised of 6 Private Distribution Utilities, 26 ECs, 13 Bulk end-users and 7 wholesale aggregators. There are 27 applications being evaluated in Luzon and Visayas, mostly intending bulk users.

Table 18. Registration Update as of October 2012 (Luzon and Visayas)

CATEGORY	EXPECTED (Luz& Vis)	REGISTERED				APPLICANT		NOT REGISTERED		
		DIRECT		INDIRECT		LUZ	VIS	LUZ	VIS	
		LUZ	VIS	LUZ	VIS					
Generation Companies	54	<b>28</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>1</b>	
Customer Trading Participants	Private DUs & LGUs	16	3	3	5	0	2	0	2	1
	ECs	72	26	25	16	3	2	0	0	0
	Bulk users	102	7	6	47	16	22	1	3	0
	Wholesale aggregators	7	7	0	0	0	0	0	0	0
Total Customer Trading Participant	<b>197</b>	<b>43</b>	<b>34</b>	<b>68</b>	<b>19</b>	<b>26</b>	<b>1</b>	<b>5</b>	<b>1</b>	
<b>TOTAL PARTICIPANTS/APPLICANTS</b>	<b>251</b>	<b>71</b>	<b>53</b>	<b>68</b>	<b>19</b>	<b>29</b>	<b>4</b>	<b>5</b>	<b>2</b>	

Source: PEMC

Notes:

- a. North Luzon Triton Mall, Inc.(Bulk User) has submitted their application as Indirect WESM Member
- b. Philippine Associated Smelting and Refining Corporation(Bulk User) has submitted their application to change membership from Indirect to Direct WESM Member:

1. Highlights of WESM trading for the period October 2011- April 2012:

- Average system demand for Luzon and Visayas registered at 7,118 MW
- System peak demand was recorded at 9,343 MW which occurred in the month of May 2012 .
- Spot market transactions amounted to 2,636 GWH, translating to 9.2 percent of the total energy consumed in the Luzon and Visayas regions during the six months period while the remaining 90.8 percent of the total volume was transacted and settled outside the market.
- Average Effective Spot Settlement Price for customers amounted to Php 8,204 per MWH during the six months period.
- Generation in Luzon and Visayas for the billing period May to October 2012 was dominated by Coal Power Plants at 39.6 percent followed by Natural Gas Plants at 32.5 percent. Geothermal contributed a share of 14.9 percent, hydro with 10.3 percent. Diesel powered power plants contributed about 2.6 percent, a minimum contribution of generation came from Wind-Based Plants at 0.09 percent.

2. Status of Pending ERC Regulatory Filings

a. **Approval of the level of the market fees for the WESM for Calendar Year 2010-2011**

The ERC granted an adjustment of PhP146.223M in PEMC's CY 2011 budget inclusive of PhP132.9M revising PEMC's budget to PhP833.864M. Said adjustment which will be collected from generators/sellers will be used to fund for the

Business to Business (B2B) System necessary for the implementation of Retail Competition and Open Access (RCOA) in its Order dated 4 June 2012. As the said amount will be refunded to the generators/sellers, PEMC was directed to submit for the ERC's approval a mechanism for the recovery of the cost of the B2B System from the retail market participants.

**b. Approval of the level of the market fees for the WESM for CY 2012**

For the imposition of CY 2012 market fees, the ERC authorized PEMC to continue imposing the approved MF for CY 2011, as embodied in its 6 June 2011<sup>1</sup> (PhP661.260M) and 5 December 2011<sup>2</sup> (PhP26.380M) decisions, to be collected from the market participants in Luzon and Visayas pending the resolution of PEMC's CY 2012 MF Application.

**c. Approval of the level of the market fees for the WESM for CY 2013**

Developments on PEMC's application for CY 2013 market fees are as follows:

- PEMC filed its Pre-trial Brief on 10 August 2012 while hearings on the were conducted on 16 and 23 August 2012 in Pasig and Cebu, respectively.
- PEMC submitted its Compliance to the jurisdictional requirements of the ERC on 16 August 2012. Only MERALCO and the Philippine Chamber of Commerce and Industry (PCCI) filed Petitions for Intervention, which were granted by the ERC.
- PEMC filed its Amended Pre-trial Brief and Compliance (Re: 16 August 2012 Hearing) on 22 August 2012, pursuant to the directives of the ERC during the hearing on 16 August 2012.

**d. Market Management System (MMS) Loan Repayment**

On 14 August 2012, PEMC filed an application for the approval of additional MF (AMF) in the amount of PhP863.3M for the repayment of the MMS Loan, recoverable over a period of 3 years pursuant to the terms of the Memorandum of Agreement among NPC, Transco, PSALM and PEMC. PEMC further prayed for authority to enter into a Facility Agreement with a commercial bank to refinance the MMS Loan in an amount not exceeding the AMF, the principal and interest payments of which shall be recoverable through MF collected over a period of 3 years.

The MMS Loan pertains to principal and interest payments due to PSALM for funds advanced to PEMC to finance the procurement, acceptance, installation, testing and initial operation of the existing MMS.

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<sup>1</sup> CY 2010-2011 MF Application, ERC Case No. 2010-079 RC

<sup>2</sup> CY 2011 Supplemental MF Application, ERC Case No. 2011-085 RC

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e. **Approval of the Pricing and Cost Recovery Mechanism for Reserves in the Philippine Wholesale Electricity Spot Market**

On 21 June 2012, PEMC received a copy of the Order of the ERC dated 28 May 2012 where the ERC reiterated its previous directive for PEMC (in coordination with NGCP) to introduce operational enhancements for the reserve market as follows:

- i. Implement ex-ante partial effectiveness factors to allow broader competition in reserve market categories;
- ii. Realign the specification of reserve services to create a fast contingency service;
- iii. Set Up new lower reserve service;
- iv. Introduce Interruptible Load Dropping (ILD) as a fully functioning reserve service;
- v. Set Up an interim arrangement for ILD;
- vi. Set Up appropriate changes in the Philippine Grid Code; and
- vii. Submit plans for future enhancements and develop interim plans.

PEMC was directed to comply with the above within six (6) months from receipt of the Order or upon the completion of the Market Dispatch Optimization Model (MDOM) Software Modification Project, whichever comes first.

Further, PEMC was directed to submit relevant information, e.g. best practices applied in other markets and to provide assistance to the Commission for the purpose of establishing appropriate mitigating measures in the energy and reserve markets.

3. Update on WESM Governance Activities

Following are highlights of the activities of the various WESM governance committees for the report period.

a. **Market Surveillance Committee (MSC)**

- Reviewed and deliberated the Framework for the MSC-proposed Automatic Penalty Scheme (APS) together with the Draft Primer on the APS. The APS is contains the procedure for the monitoring of non-compliances in the WESM and include the automatic imposition of financial penalty on the concerned trading participants in accordance with the Financial Penalty Manual (FPM) and the WESM settlement processes.
- Conducted preliminary review of the 22 Investigation Reports submitted by the Enforcement Compliance Office (ECO). to the MSC. Initial observations and comments on each of the ECO Investigation Reports will be discussed and clarified with ECO.
- Reviewed the Historical Statistics on the Offer Behavior of Plants in relation to the Market Clearing Price (MCP) covering the period of 26 June 2006 to 25 June 2012. Said review also took into consideration the frequency of the PhP62,000/MW offer price clearing the market. Noting that the setting of the offer price cap at PhP62,000/MW was made before actual WESM operations, the

MSC intends to explore the possibility of recommending a more reasonable price level, supported by statistical data derived from actual WESM operations.

2. Reviewed and provided comments/recommendations on: 1) Draft Revised Certificate of Compliance (COC) Rules, pointing out the need to harmonize the definitions vis-à-vis WESM Rules/Manuals, EPIRA, Philippine Grid Code and Distribution Code; 2) proposed changes to the WESM Rules/Manuals particularly on the *Publication of Suspension Notices* and the *Reduction of the Minimum Energy Offer Block Size from 5MW to 1MW*.

**b. Dispute Resolution Administration (DRA)**

- The DRA submitted and presented to the Rules Change Committee the proposed amendments to the Dispute Resolution Market Manual (DRMM) Issue 2.0 last 09 May 2012. The proposed amendments to the DRMM included among others, the following:
  - i. Procedures for the accreditation of mediators and arbitrators;
  - ii. Dissolution of the Dispute Resolution Group (DRG);
  - iii. Establishment of the Dispute Management Protocol (DMP); and
  - iv. Schedule of dispute resolution fees and expenses.

The said amendments were then posted in the WESM website to solicit comments from interested parties for consideration of the RCC in its deliberation of the proposed amendments.

**c. Rules Change Committee (RCC)**

During the covered period, the RCC spearheaded deliberations of the following proposed rules and/or manuals change:

- Revisions to the WESM Dispute Resolution Market Manual which will incorporate the procedures for the accreditation of mediators and arbitrators, dissolution of the Dispute Resolution Group (DRG), establishment of the Dispute Management Protocol (DMP), and schedule of dispute resolution fees and expenses. Said changes is in accordance with the DOE approved WESM Rules Change on Dispute Resolution Framework as promulgated through Department Circular No. 2012-02-0001 last 15 February 2012.
- WESM Rules Changes on Notice of Non-Approval of Application for Registration as WESM Members- Submitted by PEMC, the proposed changes involve revisions to WESM Rules Clauses 2.5.6.1 and 2.5.6.2, which state that in case of denial of an application for registration as a WESM Member, whether due to the applicant's failure to meet the requirements for the WESM membership category applied for or for any other reason, the Market Operator must send written notice to the applicant and the same shall always be provided to the DOE and the ERC, irrespective of the reason.

The said amendment was approved by the DOE through Department Circular No. 2012-08-0008 Adopting Amendments to the WESM Rules particularly Section

2.5.6 on Notice of Non-Approval of Registration or Application as WESM Member.

- Proposed Amendments to the WESM Manual on the Management of Must-Run Units which involves the following: redefinition of Must Run Unit, designation of Must Stop Unit (MSU), revisions to the criteria for the selection of MRU, and introduction of new pricing mechanism by which MRUs and MSUs are compensated.
- Proposed amendments in view of recommendations made by PA Consulting Group Ltd. resulting from the 2nd Operational Audit of the Systems and Procedures on Market Operations concerning prudential requirements, Pmin rules and procedures, procedures on pricing errors and market reruns and the SO's responsibilities under the WESM Rules.
- Review of the Must Offer Rule as recommended by the PEM Board with the aim of optimizing its application to prevent and limit instances of violations keeping in mind the need to address continued stability of the system/grid and effects on end-consumers.
- Proposal for the Reduction of Prudential Requirements—sought PEMC's comments and noted the information provided by PEMC that there was a DOE Circular to NEA directing it to come out with measures to address the concern on prudential requirements. The RCC invited the NEA to discuss its action plans in view of the said directive.

Further, the RCC approved the proposed Changes to Appendix A of the WESM Rules on Minimum Offer Block Size which seeks to reduce the minimum energy offer block size and contingency reserve offer block size from five (5) MW to one (1) MW. Said was endorsed to the PEM Board, with the revision to further reduce the minimum bid block size from 1MW, as originally proposed by PEMC, to 0.1MW, taking into account the following: (a) favorable result of the test conducted by PEMC which verified that the Market Management System (MMS) can accept bid blocks for as low as 0.1 MW but up to 1 decimal place only and (b) to take into consideration this type of plant operations which can operate below 5 MW down to 0.1 MW. The revised proposal was submitted to the PEM Board on 20 September 2012.

On the other hand, the RCC disapproved the PEMC-proposed urgent amendments to the WESM Rules and Manuals on the Publication of Suspension Notices, which seek to (a) clarify that publication through the public information website shall be sufficient compliance to the publication requirement for Suspension Notices; and (b) remove the requirement to publish the notice in a newspaper of general circulation. The RCC agreed that the requisite publication of the suspension notice in a newspaper should not be removed, as proposed, because the value of information to the local constituents of a trading participant in default/breach should not be equated with the cost of publication.

Further, the RCC opines that it is the right of the TPs' clients and/or constituents to be informed of the TP's infraction and to be warned of the possibility that such TP can be disconnected from the grid. The RCC's recommendation on the proposal was submitted to the PEM Board on 20 September 2012.



On the review of Pmin Rules and Procedures and Must Offer Rules, particularly on the proposecancellation of offers,the RCC took note of the apprehension expressed by both the representatives of the System Operator and the distribution sector on the possibility that the cancellation of offers might eventually lead to supply shortage and consequently requested the SO to come-up with its own recommendation on the criteria of the percentage of the availability of supply as against the demand before the cancellation of offers may be allowed.

Further, the RCC adopted the proposed amendments to the WESM Dispatch Protocol Manual regarding Re-Dispatch Procedures based on Merit Order Table (MOT).

#### **d. Technical Committee (TC)**

For the report period, the TC conducted the following activities:

- Discuss with the steam field operator for Tiwi Makban on 11 July 2012 to review and validate steam supply constraints of the geothermal plants.This was intended to assist the MSC in monitoring and validating the low steam supply of geothermal plants as a reason for not being able to offer its maximum available capacity.
- Upon the request of the DOE, the TC reviewed the System Security and Reliability Guidelines (SSRG) Manual with comments solicited from NGCP, PEMC, and Distribution Management Committee (DMC). The TC intends to submit rules change proposals on the SSRG Manual to the RCC within the year.
- Acting upon the request of the ERC, the TC reviewed the Draft Revised Certificate of Compliance (COC) Rules and submitted its comments and recommendations on 26 July 2012.In summary, the TC suggested that the draft COC Rules be consistent with the EPIRA, Philippine Grid Code and Philippine Distribution Code. Further, the TC recommended that data on technical parameters and test results during the ocular technical inspection of the ERC be attached in the COC.
- Submitted to the RCC on 03 July 2012 its proposed revision to the TC Market Manual incorporating the Board's directive during its meeting held on 26 April 2012.
- Continued review of Constraint Violation Coefficient (CVC) Pricing Scheme noting that a historical list of actual CVC actions is necessary for a more thorough analysis of the matter. In relation, the TC will further discuss with PEMC the commercial and technical issues on CVC.
- Upon request of the DOE, submitted its comments to the RCC Proposed Revision to MRU Manual. The TC informed the DOE that it does not support the proposed provisions relating to Must Stop Units (MSU) in the MRU Manual, mainly because the proposed provisions on MSU limit the flexibility of the Systems Operator in addressing system security and reliability issues of the grid.

**e. PEM Audit Committee**

For the report period, the following has been done:

- Continued regular monitoring of PEMC's action plans to address the findings and recommendations of the external auditor in the 2<sup>nd</sup> market operations audit
- Commenced with the 3rd Market Operations Audit ('AP: 2012-02') on 09 July 2012 with PA Consulting Group Ltd. As the external auditor. The 3rd MO Audit covers the audit of the systems and procedures on market operations, and the billing and settlement, including the interfaces with the System Operator (SO), the Metering Services Providers (MSP), WESM Participants, the Energy Regulatory Commission (ERC) and the Department of Energy (DOE).
- On 04 September 2012, the PAC, Metering Review Technical Working Group, National Grid Corp. (NGCP), PEMC and the External Auditor, Isla Lipana & Co. (a PwC Member Firm) in partnership with PwC India, Intelligent Energy System Pty Ltd. (IES) Australia and Alliance of Power & Energy Xponents Inc. (APEX), agreed to adopt the Energy Based Working Standard Methodology procedure for the testing of the meters which have not been tested within the period covered. In addition, the body agreed to use the Portable Working Standard procedure for the testing of the meters which have been tested within the covered period. The physical inspection and meter testing of the 216 sample metering sites started on 14 September 2012 and is expected to conclude in December 2012.

Further, the Metering Review Auditors presented before the Energy Regulatory Commission (ERC) the objectives, scope and methodology of the said project on 28 September 2012, for the ERC's information.

**B. Open Access and Retail Competition**

For the report period, the Department spearheaded continuing activities to ensure effective implementation of Retail Competition and Open Access (RCOA), in coordination with its attached agencies, the ERC and PEMC. Following are significant developments:

- Issuance of Department Circular No. 2012-05-005 entitled, "*Prescribing the General Policies for the Implementation of Retail Competition and Open Access*".

In this issuance, the DOE declared that the transition to RCOA shall promote genuine competition, greater efficiency, customer choice and true cost of electricity. The choice of supplier of electricity is now given to the contestable customers subject to the circular and other rules and regulations that the DOE may issue in the future. However, further clarifications were sought by the stakeholders which include concerns on non-offer of Suppliers, their need to be further educated on RCOA, concerns on the rate impact of the implementation and the readiness of the infrastructure, systems and processes.

- Issuance of Department Circular No. 2012-06-0007 entitled, “Directing the National Electrification Administration to Develop a Mechanism for Ensuring the Adequacy of and Compliance by the Electric Cooperatives with the Prescribed Prudential Requirements in the Wholesale Electricity Spot Market and Spearhead the Collective Petition Thereof for the Approval of the Energy Regulatory Commission”

The DOE issued on 28 June 2012 DC 2012-06-0007 directing the National Electrification Administration (NEA) to develop a mechanism for ensuring the adequacy of and compliance by the electric cooperatives with the prescribed prudential requirements in the Wholesale Electricity Spot Market (WESM) and spearhead the collective petition thereof for the approval of the ERC. Accordingly, NEA conducted consultations with the ECs, the Philippine Rural Electric Cooperatives’ Association (PHILRECA), PEMC, ERC and DOE. As a result, a petition was drafted by PHILRECA to be submitted to the ERC, for the latter to initiate rule making for the adoption and implementation of a tariff mechanism to cover the ECs’ 1) prudential requirements in the WESM; 2) security deposit requirement for power supply agreements and transmission service agreements; and, 3) carrying costs and expenses related to prudential requirements and security deposit.

- Conduct of public consultations on additional policies and retail rules as follows:

Table 19. Focused Group Discussion on General Policies for the Implementation of RCOA

Date	Area/Venue	Participants
18 July 2012	DOE Headquarters	Manila Electric Company (MERALCO) and Visayan Electric Company (VECO)
19 July 2012	DOE Headquarters	Batangas II Electric Cooperative (BATELEC II), Cebu I Electric Cooperative (CEBECO I), Cebu II Electric Cooperative (CEBECO II) and the Philippine Rural Electric Cooperatives Association (PHILRECA)
31 July 2012	Waterfront Hotel, Lahug, Cebu City	Contestable Customers, Generators, DUs, Govt. Contestable Customers
16 August 2012	Holiday Inn, Clark, Pampanga	Contestable Customers, DU
23 August 2012	DOE Audio Visual Room, DOE, Fort Bonifacio	Government Contestable Customers
3 September 2012	DOE Audio Visual Room, DOE, Fort Bonifacio	Retail Electricity Suppliers (RES), RESA
4 September 2012	Legend Villas Hotel, Mandaluyong City	Contestable Customers
5 September 2012 (AM)	PEZA, Roxas Boulevard, Pasay City	PEZA Economic Zone Locators
5 September 2012 (PM)	Legend Villas Hotel, Mandaluyong City	Directly Connected Customers

Source: DOE

The DOE in coordination with PEMC have likewise formulated the Retail Rules which provide the rules for the integration of the retail market in the operations and governance processes of the WESM, the management of transactions of Suppliers and Contestable Customers and the operation of the Central Registration Body (CRB).

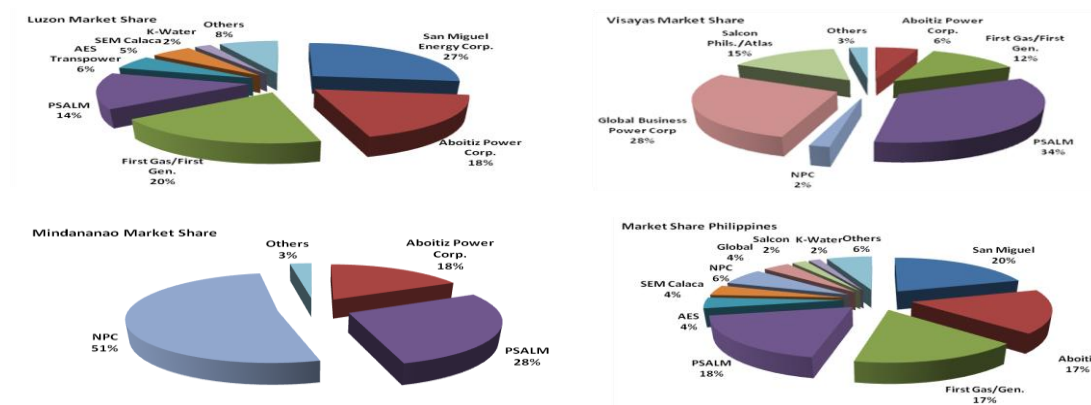
The draft rules were subjected to public consultations starting October and targeted to be completed by November 2013, in order to gather comments and suggestions from various sectors on how RCOA will be operationalized effectively.

### C. Market Share Monitoring

In order to attain effective monitoring and accounting of capacities, the DOE is currently coordinating with ERC and PEMC to come up with a unified definition of terms particularly related to capacity of power plants. Further, there are also recommendations to ERC on their issuance of Resolution on the determination of capacities per grid to come out with a new format for the list to reflect the owner of the power plant in order to identify which generation company it is associated.

As regard to the determination of market share of each generating company, there was no movement in the ownership of generation capacities per generating company in Luzon compared to the last report. However, this might change in near future as the Supreme Court of Philippines' has issued its *En Banc* Decision on 9 October 2012, affirming the constitutionality of the bidding process for the privatization of the Angat Hydro Electric Power Plant (AHEPP) in Norzagaray, Bulacan where K-Water of Korea was declared the winning bidder.

Figure 3. Market Share Per Grid



Data Source: ERC

## V. POWER SUPPLY SECURITY AND RELIABILITY

The total installed capacity in the country in 2012 stood at 16,180 MW, slightly higher by 0.11 percent from 16,163 MW in 2011. The increase was credited to the 26.1 MW additional capacity in Mindanao that went on commercial operation this 2012, as follows: 3.2 MW Bukidnon Diesel Power Plant, owned by King Energy Generation, Inc. (KEGI), 8 MW Cabulig Hydroelectric Power Plant, owned by Minergy, and additional 14.9 MW capacity of Crystal Sugar Co. Inc.

Luzon grid has the majority of the total installed capacity having a share of 72.59 percent or 11,746 MW; Visayas has 14.75 percent or 2,386 MW installed capacity and Mindanao has 2,048 MW or 12.66 percent of the total installed capacity of the country.

The total dependable capacity of the country for this year marginally plunged by 0.56 percent from 14,477 MW last year to 14,396 MW this year. Luzon's dependable capacity was cut to 10,624 MW from 10,824 MW last year. Visayas also suffered loss of dependable capacity this 2012 as its capacity dropped to 2012 MW from 2037 MW last year. Frequent outages from coal-fired power plants, natural gas-fired power plants and geothermal power plant, as well as the limited capacity of oil-based power plants, caused the reduced dependable capacity of the Luzon and Visayas grid in 2012. For Mindanao, its dependable capacity surged by 144 MW from 1616 MW to 1,759 MW. Increase on the dependable capacity of hydroelectric power plants and oil-based power plants, along with the commissioning of KEGI, Cabulig hydro and additional unit of Crystal Sugar gave the grid a positive growth to its dependable capacity for 2012.

### A. Power Generation

For the first semester of 2012, the gross generation for the country was recorded at 36,077 GWh, 6.22 percent higher compared to last year's generation covering the same period with 33,964 GWh. Three grids exhibited increase in their generation with Luzon having a 25,843 GWh or 1,121 GWh increase from its generation last year with 24,722 GWh; Visayas posted a generation of 5,846 GWh or 851 GWh rise from 2011 generation of 4,995 GWh; and Mindanao, despite having curtailments and limited demand, had a 4,388 GWh generation or 141 GWh growth from its last year's generation of 4,247 GWh.

In Table 20, coal-fired power plant topped all power sources in terms of generation with 14,173 GWh or 39.28 percent of the total gross generation of the country. Followed by natural gas-fired power plants in Luzon with 10,354 GWh or 28.70 percent. Geothermal and Hydroelectric power plants also contributed in the generation mix for the covered period with 5,261 GWh and 4,481 GWh, respectively.

Oil-based power plants, which are usually dispatched as Must-Run Units (MRUs) to be added to the inadequate reserve, had a generation of 1,685 GWh or 4.67 percent. Renewable Energy (RE) based plants such as wind, LFG, Biomass and Solar managed to have an additional 125 GWh of generation of the country.

Table 20. PHILIPPINES, 1st Semester 2012 and 2011 Comparative Generation, GWh

PHILIPPINES						
PLANT TYPE	2012		2011		Difference	
	GWh	% Share	GWh	% Share	GWh	%
Coal	14,173	39.28	12,892	37.96	1,281	9.93
Oil-based	1,685	4.67	1,610	4.74	75	4.69
Natural Gas	10,354	28.70	10,249	30.18	104	1.02
Geothermal	5,261	14.58	5,039	14.84	222	4.40
Hydro	4,481	12.42	4,061	11.96	419	10.33
Wind	39	0.11	50	0.15	(11)	(22.08)
LFG & Biomass	85	0.24	63	0.18	23	36.38
Solar	1	0.00	1	0.00	0	22.84
<b>Total Generation</b>	<b>36,077</b>		<b>33,964</b>		<b>2,113</b>	<b>6.22</b>

Source: DOE

As of January 2013, excluding off-grid with embedded assumptions

Luzon grid relied mainly on the coal-fired power plants and natural gas-fired power plants for its generation. In Table 21, 42.07 percent or 10,872 GWh of Luzon generation came from the coal-fired plants. It had increased its generation from last year with 5.35 percent or 552 GWh even though some plants such as 300 MW Calaca Unit 1 (September

2011–July 2012), 315 MW Masinloc Unit 2 (09 – 22 January 2012), 460 MW QPPL (20 January–04 February 2012) and 382 MW Pagbilao Unit 2 commenced with their maintenance during the first semester of 2012.

Natural gas-fired power plants, composed of Sta Rita, San Lorenzo and Ilijan Power Plants in Batangas, were able to have 10,354 GWh of generation or 40.06 percent of the total generation in Luzon.

Table 21. LUZON Grid, 1st Semester 2012 and 2011 Comparative Generation, GWh

LUZON GRID						
PLANT TYPE	2012		2011		Difference	
	GWh	% Share	GWh	% Share	GWh	%
Coal	10,872	42.07	10,320	41.74	552	5.35
Oil-based	663	2.57	564	2.28	100	17.65
Natural Gas	10,354	40.06	10,249	41.46	104	1.02
Geothermal	1,882	7.28	1,782	7.21	100	5.61
Hydro	2,013	7.79	1,738	7.03	275	15.82
Wind	39	0.15	50	0.20	(11)	(22.08)
LFG & Biomass	20	0.08	19	0.08	2	8.96
<b>Total Generation</b>	<b>25,843</b>		<b>24,722</b>		<b>1,121</b>	<b>4.54</b>

Source: DOE

For Visayas, the newly-built coal-fired power plants such as CEDC, PEDC and KEPCO SPC helped in the generation as they continuously produced power for all the sub-grids in Visayas. It exhibited 2,497 GWh generation or 42.71 percent of the total Visayas gross generation. Coal-fired plants in Visayas still achieved to have a growth of 43.82 percent despite of the outages that occurred during the first semester of 2012 such as the maintenance of 82 MW PEDC Unit 2 (28 January – 17 February 2012), 82 MW CEDC Unit 3 (18 February–05 March 2012), 50 MW CTPP 1 (14–23 May 2012) and 103 MW KSPC Unit 2 (21 June –07 July 2012).

Half of the generation of Visayas for the first semester can be accredited from the generation of the geothermal power plants, which mainly came from plants in Leyte and Negros Oriental, as they registered a 2,975 GWh generation with 4.87 percent higher than last year's 1<sup>st</sup> semester generation of 2,837 GWh.

On the other hand, oil-based power plants in Visayas were operating at Real-Time Dispatch (RTD) basis which dreadfully affected their generation in the grid. Oil-based power plants operate only upon the instruction of the system operator, thus limiting their running time and cutting off their supposed generation. Its generation dropped from 316 GWh in 2011 to 351 GWh in 2012.



Table 22. VISAYAS Grid, 1st Semester 2012 and 2011 Comapartive Generation, GWh

VISAYAS GRID						
PLANT TYPE	2012		2011		Difference	
	GWh	% Share	GWh	% Share	GWh	%
Coal	2,497	42.71	1,736	34.76	761	43.82
Oil-based	316	5.41	351	7.03	(35)	(9.99)
Geothermal	2,975	50.89	2,837	56.79	138	4.87
Hydro	23	0.39	27	0.54	(4)	(15.86)
Biomass	35	0.61	44	0.88	(9)	(19.54)
<b>Total Generation</b>	<b>5,846</b>		<b>4,995</b>		<b>851</b>	<b>17.04</b>

Source: DOE

Mindanao grid still managed to have a positive growth in their generation despite of the continuous power crisis in their area. Government-owned Agus-Pulangi complex and other private-owned hydroelectric power plants majorly composed the total generation in Mindanao with 2,445 GWh which was more than half of the total generation of the grid. This increase was made possible in spite of the scheduled maintenance of 255 MW Pulangi IV for 22 days from 17 April – 8 May 2012. Due to increasing demand during summer season, oil-based power plants such as 200 MW TMI power barges, 112 MW WMPC, 56 MW SPPC and 32 MW PB 104 improved their generation last year from 694 GWh to 705 GWh.

However, generation from coal-fired power plants dropped by 3.85 percent in the 1<sup>st</sup> Semester as STEAG State-owned power plant had a short maintenance schedule in February and June 2012. Its generation decreased from 836 GWh last year to 804 GWh this 1<sup>st</sup> sem of 2012. Also private-owned Mt. Apo Geothermal Power Plant decreased their generation by 3.94 percent this 1<sup>st</sup> semester as they produced only 403 GWh from their 420 GWh generation last year.

On February 2012, the sole biomass plant in Mindanao started to contribute in the generation of Mindanao as it produced an aggregated 30 GWh for the 1<sup>st</sup> sem of 2012. Crystal Sugar Company Inc., a sugar – manufacturing plant in Bukidnon, uses bagasse as fuel for their 35.9 MW plant and is currently embedded to FIBECO.

Table 23. MINDANAO GRID, 1st Semester 2012 and 2011 Comparative Generation, GWh

MINDANAO GRID						
PLANT TYPE	2012		2011		Difference	
	GWh	% Share	GWh	% Share	GWh	%
Coal	804	18.32	836	19.68	(32)	(3.85)
Oil-based	705	16.08	694	16.35	11	1.59
Geothermal	403	9.19	420	9.89	(17)	(3.94)
Hydro	2,445	55.72	2,296	54.06	149	6.48
Solar	1	0.02	1	0.01	0	22.84
Biomass	30					
<b>Total Generation</b>	<b>4,388</b>		<b>4,247</b>		<b>141</b>	<b>3.32</b>

Source: DOE



## B. System Peak Demand

Peak demand for Luzon grid for the first half of 2012 was recorded at 7,863 MW on 25 April during the summer period of 2012. This was 4.12 percent higher than the recorded demand with 7,552 MW which happened on the month of June 2011. This was due to the high electricity demand for air conditioning equipment of the residential and commercial sector during the summer season.

For Visayas, the recorded coincident peak demand from January to June 2012 occurred on 8 May 2012 at 1,464 MW. This was 1.15 percent lower than the previous year's demand with 1,481 MW which occurred on December 2011. Out of the highest demand for Visayas, 51.64 percent of this came from Cebu sub-grid; Panay and Negros almost had the same demand with 17.11 and 16.53 percent respectively; Leyte-Samar region had 10.90 percent and Bohol sub-grid had the least share of demand with 3.82 percent. Same with Luzon grid, high electricity demand for using cooling equipment caused the demand to peak in summer of 2012.

Mindanao, on the other hand, was continuously experiencing low demand due to rampant load curtailment in their area during the first half of 2012. This load curtailment in Mindanao had ranged from 50MW during the opening of the year to a maximum curtailed demand of 400MW which occurred in May 2012. The recorded demand was 1,252 MW which occurred on 14 June 2012. This was 6.98 percent lower than last year's demand with 1,346 MW.

Still, power shortage occurred in Mindanao due to insufficiency of power supply. As soon as this power crisis was properly addressed and fixed, the grid would experience less curtailment and rotating brownouts in the coming months. The government, in line with this issue, did all efforts to continuously monitor the power situation of Mindanao and to study all possible actions to alleviate the power crisis of the grid.

## C. Electricity Sales and Consumption

Table 24. 2012 and 2011 Comparative Electricity Sales and Consumption, Philippines

Sector	PHILIPPINES					
	1st Semester 2012		1st Semester 2011		Difference	
	GWh	% Share	GWh	% Share	GWh	%
Residential	9,874	36.81%	9,196	37.28%	678	7.4%
Commercial	8,711	32.48%	8,056	32.66%	655	8.1%
Industrial	7,603	28.35%	6,782	27.50%	821	12.1%
Others	635	2.37%	630	2.56%	4	0.7%
<b>Total Sales</b>	<b>26,823</b>	<b>90.34%</b>	<b>24,665</b>	<b>90.00%</b>	<b>2,159</b>	<b>8.8%</b>
Own-Use	54	0.18%	57	0.21%	-2	-4.3%
System Loss	2,812	9.47%	2,683	9.79%	129	4.8%
<b>Total Consumption</b>	<b>29,690</b>		<b>27,405</b>		<b>2,285</b>	<b>8.3%</b>

Source: DOE

The rousing start of the Philippine economy in the year of the water dragon was the key fuel behind the aggressive performance of the Electricity Sales among the distribution utilities despite of the sagging global economy. Electricity sales of the distribution utilities grew by 8.3 percent year-on-year (y-o-y) in the first semester of 2012, a

turnaround from the 0.6 percent contraction in the same period a year ago. The expansion recorded can be traced to higher consumption from all major sectors, consistent with the conducive performance of the property sector (real estate activity), driven mainly by the growing demand from the offshoring and outsourcing (O&O) industry.

The total electricity sales of the distribution utilities all over the country posted a favorable growth of 8.3 percent or 26,690 GWh in the first semester of 2012 from a lackluster performance of the previous year's growth of 0.3 percent. Out of these total sales, 21,706 GWh or 73.1 percent was contributed by Private Investor Owned Utilities (PIOU's), while electricity sales from Electric Cooperatives were 7,983 GWh or 26.9 percent. "Own-use" of distribution utilities registered a decline of 4.3 percent while Losses recorded an increase of 4.8 percent from 2,683 GWh last year to 2,812 GWh this year.

On a per grid basis, Luzon grid ranked the highest in terms of growth in electricity sales, representing an increase of 8.9 percent over the previous year. The continued surge can be attributed largely to the stable power supply situation in the Luzon grid due to the improved power supply among the generating companies, particularly the coal-fired power plants. It could also be recalled that the grid experienced generation capacity constraints in late October 2011 after the maintenance shutdown of the Malampaya gas pipeline. The sustained growth of manufacturing and the rebound of construction industry boosted the first semester energy sales in the grid.

Favorable performance was also registered in the Visayas grid which grew by 8.3 percent. Surge came from the positive contribution of all the sectors, particularly the resilient commercial and industrial sector remains as the grid's engine of energy sales growth supported by the sustained growth of residential sector. The continued and improved power supply in the Visayas grid coupled with the government's efforts to push back corruption and undertake additional infrastructure projects drew in more new businesses and regional economic expansions in the horizon.

Meanwhile, Mindanao electricity sales slightly slowed down to 5.2 percent in the first semester of 2012 from 5.3 percent a year ago. The industrial sector grew by 7.1 percent, the highest growth among all sectors. All other sectors recorded positive growths, though slowing down and continued to accelerate due to the low capability of hydroelectric power plants of the grid during the summer months. The continued reconstruction on damages mainly on the distribution and transmission side was caused by the adverse impact of typhoon Pedring in September 2011 and other storms experienced by the grid during the last quarter of the previous year.

#### ❖ Industrial Sector

Electricity sales of the industrial customers comprised 7,603 GWh or 25.6 percent of total electricity sales in the first semester 2012, implying a double-digit increase of 12.1 percent from 6,782 GWh in 2011.

The beyond expectation first semester growth was driven by the impressive performance of the Luzon industrial customers, posting a significant double-digit increase of 13.7 percent in 2012, reversing a decline of 1.0 percent of the same period of the previous year. The rebound of the construction industry and the huge boost of manufacturing industry particularly, electrical machinery from a rough pace during the second semester last year pushed the growth of the energy sales in the Luzon grid.

Meanwhile, the sustained growth in energy sales of the industry sector in the Visayas grid also contributed a significant surge of 9.5 percent from 947 GWh in 2011 to 1,037 GWh in 2012. The industry sector continued to be one of the dominant sectors in the Visayas grid during the first semester of 2012. Aggregate industry sustained its growth specifically in manufacturing, driven by the increased production of food manufactures. Likewise, the economic headlock of the manufacturing sub-sector still relied on the metals and chemical and heavy industries as mining and quarrying activities across the grid significantly pushed the growth of the energy sales of the grid.

Similarly, the electricity sales of the industry sector in Mindanao continued to grow, albeit at a slower pace compared to the other grids due to adverse weather condition. The industry sector electricity sales, which expanded by 5.2 percent during the first half of 2012 from 1,269 GWh to 1,321 GWh in 2011, was driven primarily by Mindanao's manufacturing sector, cornering two-thirds of the total industry's output.

#### ❖ Residential Sector

Electricity sales in residential sector grew by 7.4 percent year-on-year in first semester of 2012, a turnaround from the 1.7 percent contraction in the same period a year ago. The dramatic improvement of the residential sector' sales can be traced mainly to the increased consumption from this sector paralleled to the post-double digit growth of the newly-connected customers conveyed from the consistent uptrend in the residential property trades. Likewise, higher temperature during the summer months led to increased usage of air cooling appliances.

The 8.0 percent robust increase in Luzon grid's sales for the residential sector affected the whole country and was immensely fuelled by the higher temperature during the summer months which led to increased usage of air cooling appliances. In addition, the expansion was also driven largely by the gained momentum of the household consumption and exports on the expenditure side that significantly pushed the consumption growth on the household utilization of electronic appliances in food preparation and recreation of the grid.

In Visayas, electricity sales have also posted a remarkable increase of 7.5 percent or an equivalent of 1,331 GWh from the year-ago level of 1,239 GWh.

On the other hand, sales of electricity in Mindanao were flabbier than of the other two grids. Mindanao residential customers grew, albeit at a slower pace of 4.1 percent in the second semester of 2012 from 6.8 percent rise in overall residential sales for Mindanao in 2011. The modest increase was driven primarily by the adverse impact mostly in the residential sector of typhoon Pedring in September 2011 and other storms experienced by the grid during the last quarter of the previous year.

#### ❖ Commercial Sector

Commercial consumption increased at markedly higher rate from an insipid growth performance of 1.4 percent in the first half of 2011 to a resilient sales growth of 8.1 percent in 2012. Similar to the previous semester, sales in the commercial sector was driven mainly by real estate services sub-sector along with trade and private services sub-sectors. Improved commercial energy sales in 2012 were driven by the increase in cooling load due to the striving domestic investment, supported by the growth pace of

business process outsourcing, hotels and restaurants, wholesale and small-scale trade and retail establishments, and import and export trading.

The uptick in electricity sales inflation for the commercial sector for the three power grids, on the other hand, was mainly due to the brisk performance of the real estate activities, renting and business activities engaged in transport, storage and communication, and the recovery of the trading activities towards the end of the semester. Further, the resilient continued demand for services sector such as laundry services, medical and health services, educational services, hotels and restaurants, spas and beauty parlors, remained the main driver of growth of electricity sales to the commercial sector.

#### ❖ Others

Others refer to public buildings, street lights, irrigation, agriculture and “others not elsewhere classified”. This group recorded a very timid increase of 0.7 percent from 630 GWh in 2011 to 635 GWh in 2012. The deceleration primarily anchored to the decline in government spending as well as a slowdown on infrastructure during the semester such as public buildings and the continued decline of the farmers and fisher folks engaged on agriculture sector mainly due to the reduced production of main crops (palay, corn and including other crops) and fishing driven by the unfavorable weather also contributed to the bland performance of “other” sector.

#### ❖ Own-Use and System Loss

Total percentage share of system loss during the first two quarters of the year posted a modest growth of 4.8 percent from 2,683 GWh in 2011 to 2,812 GWh in 2012. The diffident increase in the System Loss for Distribution Utilities still demonstrates a steady improvement on loss reduction as compared to previous years, immensely due to the continuing endeavours of the Distribution Utilities such as continuous enhancement in network efficiency and improved pilferage management. Notwithstanding, the national government initiatives through sustained energy efficiency improvement programs, operations and management practices are other relevant factors and intervention that contributed to the system loss reduction in 2012.

Meanwhile, utilities’ own-use for office and station use of the distribution utilities during the first semester of 2012 dropped by 4.3 percent from 57 GWh in 2011 to 54 GWh in 2012. The decline embarked mainly with austerity programs of the utilities, reducing electricity use through activities that promotes electric energy efficiency relative to demand side management.

### C. Power Situation Highlights

#### **LUZON**

The year – to – date system peak demand for 2012 was 7,863 MW which occurred on 25 April 2012, 4.12% higher compared to last year system peak demand that occurred in 07 June 2011 with 7,552 MW. The maximum and minimum available capacity during the period were 9,303 MW (12 July 2012) and 7,090 MW (09 June 2012) respectively, with an average available capacity of 8,240 MW. A total of 9 Automatic Load Dropping (ALD) incidents that occurred from May to October 2012. Meanwhile, Malampaya shutdown was scheduled on 13 to 21 July 2012.

Following are the reports on the major plant outages that occurred during the report period:

***Coal***

- Calaca U1 (300 MW) went on planned outage due to maintenance from 05 September 2011 to 25 July 2012 while U2 (300 MW) went on forced outage due to boiler tube leak on 20 to 28 June and 12 to 19 October 2012.
- Pagbilao U1 (382 MW) on forced outage from 19 May to 01 June 2012 while U2 (382 MW) on planned outage from 16 June to 09 July 2012. U2 also had forced outage since 12 October 2012 due to boiler tube leak.
- Masinloc U2 (315 MW) on planned outage from 24 to 27 August 2012.
- Sual U1 (647 MW) went on planned outage from 13 September to 11 October 2012 while U2 (647 MW) also went on planned outage from 17 August to 17 September 2012.
- Quezon Power Philippine Limited (QPPL) (460 MW) went on forced outage from 02 to 06 July 2012 (Condenser tube leak) then 06 to 11 July 2012 (Air Heater Trouble). It also went on planned outage from 25 July to 02 August 2012.

***Natural gas***

- Ilijan Block A (3 x 204 MW) on unplanned outage from 12 to 21 July 2012, followed by Block B (3 x 204 MW) which also went on 14 to 26 July 2012. Both were out due to the gas supply restriction caused by Malampaya shutdown. After the event, Block B had its maintenance on 27 July to 10 August 2012.
- Ilijan A and B (6 x 204 MW) went on forced outage from 25 to 27 October 2012 due to clogged circulating water system.
- Sta Rita U2 (265 MW) on planned outage since 29 September 2012.
- San Lorenzo (2 x 265 MW) on planned outage from 07 to 13 (U2) and 15 to 22 (U1) September 2012.

***Oil – Based***

- Limay A4 (100 MW) on forced outage since 15 April 2011 due to Generating bearing trouble.
- Malaya U1 (300 MW) and U2 (350 MW) were seldom used due to no dispatch schedule from WESM.

***Geothermal***

- Bacman (130 MW) under rehabilitation to be recommissioning on 2013.
- Tiwi U6 (57 MW) on planned outage from 10 April to 27 June 2012.

- Makban U5 (55 MW) on planned outage 11 June 2012 due to hotwell pump maintenance and reconstruction of its cooling tower. U6 (55 MW) on forced outage since 12 July 2006 due to turbine vibration.

### ***Hydro***

- AngatMain U1 (50 MW) on forced outage since 07 October 2011 to 29 February 2012 due to repair of concrete foundation at lower bracket. ANGAT Main U2 (50 MW) still on planned outage since 24 May 2011 due to APMT.
- Bakun (70 MW) on planned outage since 23 November 2011 due to tunnel rehabilitation. It ended its rehabilitation activity and started its commercial operation on 27 September 2012.
- San Roque U3 (137 MW) on planned outage from 27 May to 07 June 2012.
- Binga U3 (25 MW) under refurbishment activity since 22 July 2012.

### **VISAYAS**

The year – to – date coincident system peak demand for 2012 was 1,489 MW which occurred on 18 October 2012, 0.53% higher to last year coincident system peak demand that occurred on 12 December 2011 with 1,481 MW. The Maximum and minimum available capacity during the period were 1,845 MW (25 May) and 1,354 MW (27 Jun), respectively. The computed average available capacity was 1,688 MW.

Following are the reports on the major plant outages that occurred during the report period:

### ***Coal***

- KEPCO – SPC(KSPC) U1 (103 MW) on forced outage from 07 to 13 February 2012 due to boiler tube leak. U2 (103 MW) on forced outage from 08 July to 26 October 2012 due to turbine protection problem.
- Cebu Energy Development Corporation (CEDC) U1 (82 MW) on forced outage from 25 September to 22 October 2012 due to burner's low temperature. U2 (82 MW) on planned outage from 01 to 17 September 2012.
- Cebu Thermal Power Plant 1 (CTPP 1) (50 MW) on planned outage from 14 to 23 May 2012 while CTPP 2 (56 MW) went on forced outage for 10 days from 08 to 18 June 2012 due to boiler tube leak.

### ***Hydro***

- Amlan Hydroelectric Power Plant (AHEP) (0.8 MW) unavailable since 17 December 2011 due to the flood and landslide caused by typhoon SENDONG.



### **Geothermal**

- Northern Negros Geothermal Power Plant(NNGPP) (49.4 MW) decommissioned based on 01 July 2011 letter of EDC to DOE.
- Leyte Geothermal Power Plant(LGPP) U1(37.5 MW) on forced outage from 17 January to 10 July 2012 due to high vibration. U3 (37.5 MW) went on planned outage since 01 September 2012.
- Palinpinon Geothermal Power Plant 2 (PGPP 2) OKOY (20 MW) on planned outage from 02 to 19 May 2012 due to PMS.

### **Oil-Based**

- Most Oil- based power plants in Visayas run per Real-Time Dispatch (RTD).
- Power Barge 101 U2 (8 MW) on forced outage from 21 December 2011 to 20 May 2012 due to activated oil mist detector. Then it undertook maintenance from 20 May 2012 to 17 September 2012.
- Nabas U3 (5 MW) on forced outage since 18 May 2012 due to cut off connecting rod.
- CebuLand Based Gas Turbine(LBGT) 1 and 2 (55 MW) on forced outage since 22 January 2010 due to low fuel pressure.

### **MINDANAO**

The year - to - date system peak demand was 1,252 MW occurred on 14 June 2012, 5.22% lower compared to last year's system peak demand occurred in 10 November 2011 with 1,321 MW. The Maximum and minimum available capacity during the period were 1,386 MW (10 May) and 1,079 MW (20 Oct), respectively, with an average available capacity of 1,218 MW. Mindanao grid is on *Red Alert status* due to zero contingency reserve most of the time from January to October 2012. Maximum load curtailment during the period is 500 MW, which was during the planned maintenance of Mindanao Coal-fired Power Plant (MCFPP) from October to November 2012.

Following are the reports on the major plant outages that occurred during the report period:

### **Geothermal**

- Mt. Apo GPP U2 (54 MW) went on forced outage from 27 June to 11 August 2012 due to electric hydraulic control failure.

### **Coal**

- Mindanao Coal-Fired Power Plant 1(MCFPP) U1 (105 MW) on 28-day maintenance from 06 October to 04 November 2012, followed by U2 (105 MW) from 13-day maintenance from 29 October to 10 November 2012.



**Oil-Based**

- Iligan Diesel Power Plant(IDPP) 1 (69.6 MW) and Iligan Diesel Power Plant 2(IDPP 2) (44.8 MW) under preservation.

**Hydro**

- Agus 2 U2 (60 MW) on forced outage since 10 August 2012 due to transformer problem.
- Agus 6 U2 (25 MW) on forced outage since 15 January 2011to 30 May 2012 due to Generator air cooler & turbine guide bearing problems.
- Fire incident on 01 September 2012 that broke out in the cable trench caused the tripping of the AGUS 6 (200 MW) and 7 (54 MW). Restoration of each unit for both plants started on 09 to 19 September 2012.
- Pulangi (3 x 85 MW) on planned outage from 17 April to 08 May 2012 due to PMS.

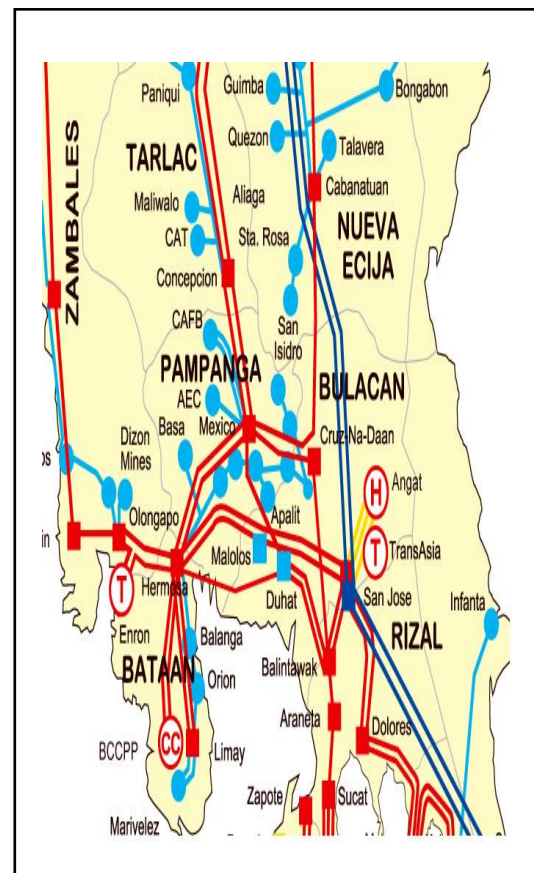
**D. Status of Transmission Projects**

**LUZON**

Luzon Substation Expansion Project 1 involves installation of additional transformers to accommodate load growth and provide N-1 contingency in various particularly at the following substations: Batay, Bauang, Biñan, Cabanatuan, Cruz-na-Daan, Laoag, and Naga. All additional transformers has been energized at various dates except for the Naga transformer which is at 93% completion as of 31 October 2012.

Mariveles Coal Transmission Reinforcement Project involves the associated grid reinforcements needed to allow the full dispatch of both the proposed 600 MW Mariveles Coal-Fired Power Plant (CFPP) and Limay Combined-cycle Power Plant (CCPP). The grid reinforcements involve the reconductoring of the existing Hermosa-Limay B-CCPP 230 kV line to maintain the N-1 provision of the line during the maximum dispatch of both CFPP and B-CCPP units. Likewise, this project also include the replacement of PCBs at San Jose and Hermosa. Overall, the project is 88% complete as of 31 October 2012.

Figure 4. Mariveles Coal Transmission Reinforcement Project



**VISAYAS**

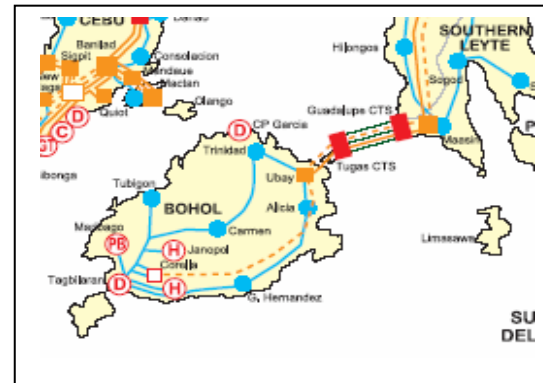
Southern Panay Backbone 138 kV Transmission Project is part of the Panay Power Transmission backbone which involves the installation/construction of a total of 97 kilometers of 138 kV and 69 kV overhead transmission lines which is aimed to accommodate the load growth and address the low voltage problem in southern Panay. As of 31 October 2012 the transmission and substation components of the project are 95% and 55% complete, respectively.

Figure 5. Southern Panay Backbone 138 kV Transmission Project



Bohol Backbone 138 kV Transmission Project involves the installation/construction of a total of 96 kilometers of 138 kV overhead transmission line utilizing steel tower structures and the installation of a 100 MVA power transformer at the new Corella Substation which is intended to provide a new delivery point. As of 31 October 2012 the transmission and substation components of the project are 95% and 61% completed, respectively.

Figure 6. Bohol Backbone 138 Transmission Project



**MINDANAO**

In the Mindanao Grid, the Balo-I (Abaga)-Villanueva (Kirahon) 230kV Transmission Project will provide additional transmission corridor the Agus Hydro complex. This project will also serve as an initial step in developing a higher capacity transmission highway from north to south of the grid to meet the increasing demand in Davao area. Likewise, the Villanueva (Kirahon)-Maramag 230 kV Transmission Project will complete the 230kV Transmission Backbone linking northern and southern Mindanao. Both projects are designed at 230kV but will initially be energized at 138kV. As of 31 October 2012, the transmission and substation component of the Balo-I (Abaga)-Villanueva (Kirahon) 230kV Transmission Project are 95% and 55% completed while the Villanueva (Kirahon)-Maramag 230 kV Transmission Project is approximately 89% completed.

Figure 7. Balo-I (Abaga-Villanueva (Kirahon) 230kV Transmission Project



The Aurora-Polanco 138 kV line and the new Polanco Substation are intended to serve the growing power demand of Dipolog City and surrounding load centers. These new facilities will ensure a continuous and reliable power supply in the area. Currently, Dipolog City, including neighboring cities and municipalities draw their power requirements from the Aurora Substation, a very long 69 kV single circuit transmission line. Overall the project is at 27% completion.

Figure 8. Aurora-Polanco 138 kV and Polanco Substation



## E. Distribution Infrastructure Projects

### ❖ *ERC-Approved Capital Expenditure (CAPEX) Projects*

During the report period, the ERC approved three (3) Capital Expenditure (CAPEX) Projects applied by Palawan Electric Cooperative, Inc. (PALECO), Negros Oriental I Electric Cooperative, Inc. (NORECO I), and Angeles Electric Corporation (AEC). *Annex 14* shows the said approved CAPEX projects as of 31 October 2012.

### ❖ *Private Sector Financing of CAPEX Projects on System Loss Reduction*

The Electric Cooperative - Partial Credit Guarantee (EC-PCG) Program is one of the potential sources of private sector funds that can be accessed by ECs to finance their CAPEX projects. It aims to provide the ECs with easy access to affordable commercial loans through the provision of partial credit guarantee coverage of up to 80% of the principal and interest of the ECs outstanding loans. There is a US\$10.0 million earmarked as the EC-PCG Program Fund that is being managed by the LGU Guarantee Corporation (LGUGC) that can be leveraged up to three times. The EC-PCG Program is one of the project components of the Electric Cooperative System Loss Reduction Project (ECSLRP), a US\$12.0 million grant from the World Bank, through the Global Environment Facility, being jointly implemented by the DOE and LGUGC.

On June 16, 2009, the LGUGC and NEA entered into a co-financing agreement to strengthen the EC-PCG Program. Under the co-financing agreement, the loan requirement of an EC shall be co-financed by NEA from its own funds and LGUGC, through the loan facility of its accredited financial institutions (AFIs) with partial guarantee coverage from the EC-PCG Program. In addition, this co-financing agreement also authorizes NEA to exercise its step-in rights in case of loan default by ECs for and in behalf of LGUGC and its AFIs.

As of 31 October 2012, there are 14 ECs enrolled in the EC-PCG Program, representing total loans of PhP1.78 billion from four (4) private banks and one (1) government financial institution.

Table 25. ECs Booked in EC-PCG Program

	EC	Loan Amount (PhP Million)	Lender	Signing Date of Loan and Guarantee Agreements
1	MORESCO I	115.00	Security Bank	July 20, 2010
2	PANELCO I	113.00	Bank of the Philippine Islands (BPI)	September 15, 2010
3	SOCOTECO I	102.42	BPI	October 4, 2010
4	SURNECO	85.00	United Coconut Planters Bank (UCPB)	March 3, 2011
5	BUSECO	135.901	BPI	February 7, 2011
6	FIBECO	143.00	Allied Banking Corporation (Allied Bank)	May 10, 2011
7	BOHECO I	109.62	Development Bank of the Philippines (DBP)	June 3, 2011
8	CANORECO	133.248	BPI	July 12, 2011
9	DANECO	172.366	UCPB	September 20, 2011
10	CAMELCO	140.00	BPI	November 9, 2011
11	MORESCO II	135.49	BPI	November 22, 2011
12	AURELCO	57.000	BPI	March 21, 2012
13	NEECO I	173.538	Allied Banking Corporation	June 6, 2012
14	MOELCI I	167.73	UCPB	July 6, 2012
<b>14</b>	<b>Total</b>	<b>1,783.31</b>		

Source: DOE, LGUG

## VI. TOTAL ELECTRIFICATION

As of 31 October 2012, the Program has already achieved 99.98 percent of the total potential barangay nationwide. Prior to the launching of Accelerated Barangay Electrification Program (ABEP), barangay electrification level only stood at 76.9%, having energized only thirty two thousand and two hundred eighty one (32,281) out of forty one thousand and nine hundred seventy five (41,975) total barangay coverage. Under the program, the energization of forty one thousand and nine hundred sixty eight (41,968) barangays was spearheaded by the DOE with assistance from the NEA, NPC-SPUG, and PNOG and its subsidiaries.

Table 26. Targets Per Implementors

DOE	6
BEP	1
RAES	5
ER 1-94	0
MERALCO	0
AMORE	0
<b>Total</b>	<b>6</b>

Source: DOE

Early this December 2012, another three (3) barangays within the franchise area of Cagayan de Sulu Electric Cooperative (CASELCO) where energized using renewable off-grid solution (Solar Home System) and energizing twenty (20) Households per each barangay. All the remaining six (6) unenergized barangays are in ARMM areas have implementation issues i.e. right-of-way problem and liquidation issues on previous projects. The DOE is closely coordinating with NEA and concerned LGUs on the possible options to pursue electrification of these barangays.

DOE is currently developing the Household Electrification Development Plan (HEDP) 2012-2017 which aims to support the commitment of the Government in pursuing the total electrification of both urban and rural areas and lays down the framework that will achieve the country's goal of attaining ninety percent (90%) household electrification by 2017. HEDP will be a subordinate plan of the Philippine Distribution Development Plan (PDDP).

Table 27. Barangay Electrification Status as of 31 October 2012

Region	Potential Barangays	Electrified Barangays	Unelectrified Barangays	Electrification Level (%)
CAR	1,176	1,176	0	100.00
I	3,265	3,265	0	100.00
II	2,311	2,311	0	100.00
III	3,102	3,102	0	100.00
IV-A	4,010	4,010	0	100.00
IV-B	1,458	1,458	0	100.00
V	3,469	3,469	0	100.00
NCR	1,695	1,695	0	100.00
<b>SUB-TOTAL LUZON</b>	<b>20,486</b>	<b>20,486</b>	<b>0</b>	<b>100.00</b>
VI	4,050	4,050	0	100.00
VII	3,003	3,003	0	100.00
VIII	4,389	4,389	0	100.00
<b>SUB-TOTAL VISAYAS</b>	<b>11,442</b>	<b>11,442</b>	<b>0</b>	<b>100.00</b>
IX	1,904	1,904	0	100.00
X	2,020	2,020	0	100.00
XI	1,160	1,160	0	100.00
XII	1,194	1,194	0	100.00
ARMM	2,458	2,444	9	99.39
CARAGA	1,310	1,310	0	100.00
<b>SUB-TOTAL MINDANAO</b>	<b>10,047</b>	<b>10,040</b>	<b>6</b>	<b>99.94</b>
<b>TOTAL PHILIPPINES</b>	<b>41,974</b>	<b>41,968</b>	<b>6</b>	<b>99.99</b>

Source: DOE

Following are the developments in various activities that were instrumental to the near completion of barangay electrification:

#### A. Qualified Third Party (QTP)

Chapter VII, Section 59 of the EPIRA provides that the “provision of electric service in remote and unviable villages that the franchised utility is unable to service for any reason shall be opened to other qualified third parties”.

Following are the updates on the QTP Program being spearheaded by the DOE:

##### 1) PowerSource Philippines, Incorporated (PSPI) Rio Tuba QTP Project in Bataraza, Palawan

After the ERC's approval of the Full Cost Retail Rate (FCRR) of Php 24.49/kWh and the Subsidized and Approved Retail Rate (SARR) of Php 8.50/kWh for PSPI in the said area, PSPI sales and system load continue to rise, reaching 160,000 net kWh sales in November 2012, a 100% jump in monthly sales within 1.5 years. Because of



the continuous load growth, PSPI installed an additional 2 x 350kW Diesel generator sets and is being commissioned.

As of November 2012, PSPI reported that its current total connections in RioTuba area have increased to 1717 connections with 24-hour electricity services. . In December 15, 2012, Powersource has installed and commissioned a biomass gasifier system and is currently operating 8 hours per day, to be steadily ramped up in the next month.

## **2) PSPI Malapascua QTP Project in Bantayan, Cebu**

PSPI has already officially submitted their full technical and financial proposal as of June 2012 and is currently finalizing the negotiation for the signing of the QTP service contract (QSC) with NPC-SPUG. The DOE in coordination with ERC and NPC SPUG has conducted an ocular inspection at the PSPI Malapascua QTP site on August 2-4, 2012. The DOE will formally endorse the PSPI Malapascua QTP to ERC after the QSC signing and PSPI compliance to all the necessary documents required by the DOE.

To date, five hundred twenty (520) households are connected to PSPI's generation and distribution utility at Malapascua.

## **3) Semirara Mining Corporation (SMC) or its affiliate QTP Project in Semirara Island, Antique**

Last September 17, 2012 SMC expressed their intent to serve officially as a QTP for Semirara Island, Antique. SMC have been providing electricity to the island since 1999 thru ANTECO. DOE is waiting for the submittals of the full technical and financial details of the proposal; and the creation of the company affiliated with SMC that will operate as QTP.

## **B. Status of Private Sector Participation in Small Island and Isolated Grids (SIIGs)**

### **❖ Oriental Mindoro**

The Oriental Mindoro Electric Cooperative Inc. (ORMECO) is the distribution utility that has the responsibility to ensure adequate, reliable and reasonably-priced electricity power supply to the province of Oriental Mindoro. Three (3) New Power Provider(NPP) namely Power One Corporation, Ormin Power and PHESI Inc. Wind Power currently have Power Supply Agreement (PSA) with ORMECO. Two NPP's are now supplying power to Oriental Mindoro and the other one "PHESI Wind Power" is expected to become operational by 2015. Private Sector Participation (PSP) in Oriental Mindoro at the moment is in partial take-over and expected to have full take-over of private sector by 2015. Power One Corporation having a generator installed capacity of 9MW indicated on their contract with ORMECO, presently has only a Dependable capacity of 3.5MW. The fact that only one generator unit rated 3.5MW of Power One Corp is running and the other generator unit with rated 5.5MW is expected to be operational by 2013. On the other hand, the Ormin Power has an existing installed generator capacity of 6.4MW and will add 10MW Mini Hydro Power Plant by 2015. The newly NPP that has PSA in ORMECO is the PHESI Inc. Wind Power with an installed capacity of 16MW Wind power plant has target

date to be operational by 2015. The Declaration of Commerciality is under evaluation of Renewable Energy Management Bureau.

❖ **Palawan**

In mainland Palawan, there are also three New Power Providers(NPP) namely: Palawan Power Generation Inc. (PPGI), Delta P, and the newly NPP who won the bidding last 2012, "DMCI Power Corporation presently have contracts with the Palawan Electric Cooperative Inc. (PALECO). With an increase in peak demand of main grid Palawan, PALECO needed a NPP to supply the deficit in power supply they are currently experiencing. PALECO has conducted a bidding process and DMCI Power Corporation won the bidding for PALECO's third New Power Provider. With a 25MW supply requirements made by PALECO to their Terms of Reference, DMCI Power Corp. agreed to put 15MW coal fired power plant and 10MW diesel power plant for their regulating supply. DMCI Power Corp. has a winning bid rate of P9.38/KWH, recognizing that putting up a coal fired power plant requires time, DMCI indicates to their submitted documents for the bidding a secondary rate of P12.80/KWH as a interim rate until the operational date of coal fired power plant. The PSA between PALECO and DMCI Power Corp. will commence on 1 Sept. 2013.

As of October 2012, Palawan main grid has a power deficit of 600KW and has no ancillary services. Due to this deficit DMCI and PALECO had a Memorandum of Agreement (MOA) to supply 5MW Guaranteed Dependable Capacity in order to accommodate the deficiency into the grid. MOA will start as 1 Dec. 2012 until 31 Aug. 2013. The ERC had an Order that provisionally approves the MOA.

❖ **Busuanga Island, Palawan**

Busuanga Island Electric Cooperative Inc. (BISELCO) covers the whole Calamian Islands as its franchise area. Presently, National Power Corporation – Small Power Utilities Group (NPC-SPUG) are operating as a power supplier for the whole Calamian Island. A New Power Provider named Calamian Island Power Corporation (CIPC) with pending approval in ERC, has a PSA with BISELCO to supply power with a capacity of 7.7MW bunker fuel fired and diesel generator to Busuanga Island. An opposition was raised by the people of Busuanga against the use of Bunker fuel fired generator and causes the delay for ERC approval on the PSA.

❖ **Catanduanes**

First Catanduanes Electric Cooperative Inc. (FICELCO) has two New Power Provider (NPP) operating in Catanduanes. The two NPP's are: Catanduanes Power Generation Inc. (CPGI) and Sunwest Water and Electric (SUWECO) hydro power. CPGI has only 2.9MW dependable capacity and has no ancillary services to provide back up, regulating and N-1 power service to the grid. On the other hand, SUWECO has two hydro power plants installed at the rivers of Catanduanes with a combined rated capacity of 3.6MW. The problem with this hydro is during summer they can only produce twenty percent (20%) of its power due to low water level.

❖ **Bantayan Island**

Bantayan Electric Cooperative Inc. (BANELCO) presently has one NPP who got full take-over of power supplier in their franchise area. The Bantayan Island Power Corporation (BIPCOR) has a rated capacity of 8.3MW diesel generator.



❖ **Masbate**

DMCI Power Corporation has a full take over as a power supplier in the island of Masbate, with a rated capacity of 24.4MW diesel generator.

**C. Implementation of E.R. 1-94 Program**

As specified under Energy Regulations 1-94 (ER 1-94) as amended, the DOE ensures that communities hosting generating facilities or energy resource development projects are benefited. It is a way of recognizing the contribution of host communities for sharing and using their territory to put up generating facilities to energize the rest of the country.

*Table 28. Summary of Financial Benefits as of October 2012 (In PhP Billion)*

Particulars	EF	DLF	RWMHEEF	Total
Accrued Financial Benefit	3.17	2.37	2.73	8.27
Approved	2.76	1.14	1.39	5.29
Available/Collectible Balance	0.41	1.23	1.34	2.98

*Source: DOE*

ER 1-94 provides for funds that can be accessed by host communities to further foster progress in their respective areas. However, avilment of such benefits requires host communities to submit proposals which may be under Electrification Fund (EF), Development and Livelihood Fund (DLF) and Reforestation, Watershed Management, Health and/or Environment Enhancement Fund (RWMHEEF).

From May 2012 to October 2012, the DOE approved six hundred seventy (670) projects with a total amount of PhP496.80M funded under E.R. 1-94 program from which five hundred ninety four (594) projects were funded under EF amounting to PhP303M, 35 under DLF amounting to PhP50.99M and 41 under RWMHEEF amounting to PhP142.81M.

The total accrued financial benefit from inception is PhP8.27 billion from which PhP 5.29 billion was obligated for the implementation of projects. The available funds as of October 2012 stood at around PhP2.98 billion.

# **LIST OF ANNEXES**

*Annex 1. List of Privatized Generation Plants as of October 2012*

<b>Name of Plant</b>	<b>Rated Capacity (MW)</b>	<b>Location</b>	<b>Bid Date</b>	<b>Winning Bidder</b>	<b>Winning Bid Price (Million US\$)</b>
Talomo	3.5	Davao	25-Mar-04	Hydro Electric Development Corp.	1.37
Agusan	1.6	Agusan	4-Jun-04	First Generation Holdings Corp.	1.53
Barit	1.8	Camarines Sur	25-Jun-04	People's Energy Services Inc.	0.48
Cawayan	0.4	Sorsogon	30-Sep-04	Sorsogon II Electric Cooperative, Inc.	0.41
Loboc	1.2	Bohol	10-Nov-04	Santa Clara International Corp.	1.43
Pantabangan-Masiway	112	Nueva Ecija	6-Sep-06	First Generation Hydro Corp.	129
Magat	360	Isabela	14-Dec-06	SN Aboitiz Power	530
Masinloc	635	Zambales	26-Jul-07	Masinloc Power Partners Ltd.	930
Ambuklao-Binga	175	Benguet	28-Nov-07	SNAP Hydro	325
Tiwi-Makban	747.53	Albay, Laguna/Batangas	30-Jul-08	AP Renewables	446.89
Panay and Bohol *	168.5	Iloilo, Bohol	12-Nov-08	SPC Power Corporation	5.86
Amlan	0.8	Negros Oriental	10-Dec-08	ICS Renewables Inc.	0.23
Calaca Coal-Fired Thermal Power Plant	600	Batangas	8-Jul-09	DMCI Holdings Inc.	361.71
PB 117*	100	Campostela Valley	31-Jul-09	Therma Marine	14
PB 118*	100	Agusan Del Norte	31-Jul-09	Therma Marine	16
Limay*	620	Limay, Bataan	26-Aug-09	San Miguel Energy Corporation	13.5
Palinpinon-Tongonan Geothermal Power Plants	305	Negros Oriental, Leyte	2-Sep-09	Green Core Geothermal Inc.	220
Naga LGBT*	61.9	Panay	16-Oct-09	SPC Power Corporation	1.01
Angat Hydro**	218	Norzagaray, Bulacan	28-Apr-10	Korean Water Resources Dev. Corp.	440.88
BacMan	150	Albay/Sorsogon	5-May-10	Bac-Man Geothermal Inc.	28.25
Bohol-Panay	166.50				
<b>TOTAL Privatized - PHILIPPINES</b>			<b>4,362.23 MW</b>		<b>\$3,422.15</b>
<b>Total Privatized in Luzon and Visayas</b>			<b>4,157.13 MW</b>		<b>\$3,419.25</b>
<b>TOTAL MW to be privatized in Luzon and Visayas</b>			<b>4,807.13 MW</b>		
<b>Level of Privatization in Luzon and Visayas</b>			<b>86.5%</b>		

\*Turned-over IPPs

\*\*Supreme Court declared the sale of Angat to KWDC as valid and legal.

Source: PSALM

Annex 2. Transco Inspection Report Based on Concession Agreement as of October 2012

No.	Inspection Report No.	Location	Name of Project/ Transmission Facilities	Inspection Date
<b>LUZON</b>				
1	PUC-11-18	North Luzon	New Clark Substation	February 23 to 25, 2011
2	PUC-11-18	North Luzon	New Clark – Concepcion Transmission Lines	February 23 to 25, 2011
3	PUC-11-19	North Luzon	Upgrading of San Manuel, Concepcion, Mexico Substations	February 21 to 22, 2011
4	PUC-11-19	North Luzon	Upgrading of San Manuel – Concepcion – Mexico Transmission Lines	February 21 to 22, 2011
5	NLRD5-11-01	Olongapo, Hermosa, Subic, Limay and Botolan	North Luzon District 5	March 28 to April 1, 2011
6	NLRD1-11-03	Bauang S/S, San Esteban S/S, Bantay S/S, Curimao S/S, Iaoag S/S	North Luzon District 1	May 9 to May 13, 2011
7	NLRD4-11-04	Santiago S/S, Cauayan S/S, Gamu S/S, Ilagan S/S, Tuguegarao, Bayombong, Lagawe S/S	North Luzon District 4	May 23 to May 27, 2011
8	NLRD6-11-05	Central Luzon Area Control Center Mexico S/SCabanatuan S/SPantabangan S/SCruz na Daan S/S	North Luzon District 6	June 13 to June 17, 2011
9	NLRD3-11-08	San Manuel, Nagsaag, Kadampat, Labrador, Mangaldan Substation, Pangasinan	North Luzon District 3	July 25 to 29, 2011
10	NLRD7-11-09	San Jose, Araneta, Dolores, Malaya, Balintawak	North Luzon District 7	August 8 to 11, 2011
11	SLRD2-11-10	Tayabas, Gumaca, Makban, Kalayaan, Caliraya	South Luzon District 2	August 22 to 26, 2011
12	NLRD7-11-26	San Jose, Del Monte, Bulacan	San Jose 750MVA Transformer Project	January 25 to 28, 2011
13	NP-11-16	Kadampat, Pangasinan and San Jose, Bulacan	2x90MVAR Shunt Reactor	July 25-29, 2011
14	SLRD1-11-20	Dasmariñas, Ternate, Rosario, zapote, Sucat, Biñan, Calaca, Batangas	South Luzon District 1	November 14-18, 2011
15	SLRD3-11-21	Tiwi, Daraga, Iriga, Ligao, Naga, Labo, Calabanga, Talisay, Sta. Magdalena, Balogo,	South Luzon District 3	November 28-December 2, 2011
16	NLOMD2-11-22	La, Trinidad, Ambuklao, Binga, Itogon, Beckel	North Luzon District 2	December 5 – 8, 2011
17	NLOMD5-12-02	Hermosa, Limay, Hanjin, Olongapo, Subic, Botolan and Morong	North Luzon District 5	January 16-20, 2012
18	NLOMD1-	Bauang, Bacnotan, San	North Luzon District 1	February 13-17,

No.	Inspection Report No.	Location	Name of Project/ Transmission Facilities	Inspection Date
	12-05	Esteban, Bantay, Currimaog, Laoag		2012
19	NLOMD3- 12-06	San Manuel, Bolo, Labrador, Kadampat, Nagsaag, Mangaldan, Cuyapo	North Luzon District 3	February 20-24, 2012
20	NLOMD7- 12-07	San Jose, Doña Imelda (Araneta), Tay-Tay (Dolores), Malaya, Quezon (Balintawak)	North Luzon District 7	March 5-9, 2012
21	NLOMD4- 12-08	Santiago, Gamu, Tuguegarao, Bayombong, Cauayan, Ilagan, Lagawe	North Luzon District 4	March 12-16, 2012
22	SLRD2-12- 09	Tayabas, Gumaca, Makban, Kalayaan, Caliraya	South Luzon District 2	March 19-23, 2012
23	NCC-12-12	Metro Manila	Power Center, Diliman, Quezon City	May 2-4, 2012
24	NLOMD6- 12-13	North Luzon District 6	Mexico, Concepcion, Cabanatuan, Pantabangan, Cruz na Daan	May 7-11, 2012
25	SLRD1-12- 16	South Luzon District 1	Dasmariñas, Ternate, Rosario, Zapote, Sucat, Binan, Calaca, Batangas	June 4-8, 2012
26	NLOMD3- 12-21	North Luzon District 3	San Manuel, Bolo, Labrador, Kadampat, Nagsaag, Mangaldan, Cuyapo	August 13-17, 2012
27	NLRD7-12- 23	North Luzon District 7	San Jose, Doña Imelda (Araneta), Tay-Tay (Dolores), Malaya, Quezon (Balintawak)	September 3-7, 2012
28	SLRD2-12- 24	South Luzon District 2	Tayabas, Gumaca, Makban, Kalayaan, Caliraya	September 17-21, 2012
29	SLOMD3- 12-27	South Luzon District 3	Naga City, Labo, Daraga, Tiwi	October 15-19, 2012
<b>VISAYAS</b>				
1	VISD3-11- 02	Bacolod, Cadiz, Kabankalan, Mabinay, Amlan	Visayas District 3	April 13 to 15, 2011
2	PUC-11-21	Amlan, Mabinay & Bacolod S/S	Visayas PCB Replacement Project	April 13 to 15, 2011
3	VISD2-11- 07	Cebu, Talisay, Compostela, Naga, Suba, Ubay, Garcia Hernandez, and Bohol Substations	Visayas District 2	July 11 to 15, 2011
4	PUC-11-22	Corella, Ubay, Bohol	Bohol Backbone 138kV Transmission Project	March 9 to 11, 2011
5	VISD4-11- 18	Sta. Barbara, Dingle, San Juan, Panit-an, Baldoza	Visayas District 4	October 24 to 27, 2011
6	VISD1-11- 19	Ormoc City, Babatngon, Wright, Isabel, Tabango, Maasin, Bagolibas	Visayas District 1	November 8-11, 2011
7	PUC-11-25	Corella, Ubay, Bohol	Bohol Backbone 138kV Transmission Project	December 12-14, 2011

No.	Inspection Report No.	Location	Name of Project/ Transmission Facilities	Inspection Date
8	VISD3-12-01	Bacolod, Cadiz, Kabankalan, Mabinay, Amlan	Visayas District 3	January 9-13, 2012
9	PUC-12-01	Sta. Barbara, Iloilo	Southern Panay Backbone Project (Transmission Line Portion)	January 18-20, 2012
10	VISD2-12-04	Banilad, Mandaue, Mactan, Compostela, Quiot, Naga, BDPP, Ubay, Talisay	Visayas District 2	February 6-10, 2012
11	VISD4-12-14	Visayas District 4	Sta. Barbara, Dingle, San Juan, Panit-an, Baldoza	May 14-18, 2012
12	PUC-12-02	Visayas	Bohol Backbone	May 17-18, 2012
13	PUC-12-03	Visayas	Northern Panay Backbone	May 30-June 1, 2012
14	VISD1-12-15	Visayas District 1	Ormoc City, Babatngon, Wright, Isabel, Tabango, Maasin, Bagolibas	May 28-June 1, 2012
15	PUC-12-04	Visayas	Visayas PCB Replacement Project -Priority2	June 20-22, 2012
16	VISD3-12-18	Visayas District 3	Bacolod, Cadiz, Kabankalan, Mabinay, Amlan	July 2-6, 2012
17	PUC-12-05	Visayas	Visayas PCB Replacement Project -Priority 1	July 25-27, 2012
18	VISD2-12-20	Visayas District 2	Banilad, Mandaue, Mactan, Compostela, Quiot, Naga, BDPP, Ubay, Talisay	August 6-10, 2012
<b>MINDANAO</b>				
1	PUC-11-20	Zamboanga Sibugay	Zamboanga 138kV Transmission Project	March 9 to 11, 2011
2	MRD2-11-06	Overton, Lugait, Balo-i Substation and Agus 6 Swichtyard	Mindanao District 2	June 27 to July 1, 2011
3	PUC-11-23	Cagayan De Oro, Abaga, Kirahon	Abaga - Kirahon 230 kV Transmission Project	August 15 to 18, 2011
4	PUC-11-23	Cagayan De Oro, Abaga, Kirahon	Abaga - Kirahon 230kV Substation Project	August 15 to 18, 2011
5	PUC-11-24	Kirahon, Misamis Oriental, Maramag, Bukidnon, Mindanao	Kirahon - Maramag 230kV Transmission Line Project	August 15 to 18, 2011
6	MIND1-11-11	Zamboanga, Lunsuran, Sangali, Sta. Clara, Aurora	Mindanao District 1	September 5 to 9, 2011
7	MIND4-11-12	Butuan, Nasipit, Anislagan, San Francisco, Bislig	Mindanao District 4	September 12 to 16, 2011
8	MIND5-11-13	Davao, Kidapawan, Bunawan, Maco, Matanao, Nabunturan	Mindanao District 5	September 19 to 23, 2011
9	MIND6-14	Gen. Santos, Tacurong, Sultan Kudarat	Mindanao District 6	September 26 to 30, 2011
10	MIND3-11-15	Carmen, Tagoloan, Jasaan, Kibawe, Maramag	Mindanao District 3	October 3 to 7, 2011
11	MIND2-12-03	Lugait, Iligan(Overton), Balo-i(Abaga), Mindanao RCC, Metering Facilities and Microwave Station	Mindanao District 2	January 23-27, 2012
12	MIND5-12-10	Davao City, Bunawan, Matanao, Maco,	Mindanao District 5	April 10-13, 2012

No.	Inspection Report No.	Location	Name of Project/ Transmission Facilities	Inspection Date
		Nabunturan, Kidapawan		
13	MIND3-12-11	Carmen, Tagoloan, Jasaan, Kibawe, Maramag	Mindanao District 3	April 23-26, 2012
14	MIND2-12-19	Mindanao District 2	Lugait, Iligan(Overton), Balo-i(Abaga), Mindanao RCC, Metering Facilities and Microwave Station	July 16-20, 2012
15	PUC-12-06	Zamboanga	Sangali-Pitogo 138kV T/L Project	August 28-31, 2012
16	MIND4-12-22	Mindanao District 4	Butuan City, Bislig, San Francisco, Nasipit, Placer(Anislagan)	September 3-4, 2012
17	NP-12-01	Bislig	Mindanao Reliability Project 1	September 12-14, 2012
18	MIND6-12-25	Mindanao District 6	Tacurong, Gen Santos City, Nuling	September 24-28, 2012
19	MIND5-12-26	Mindanao District 5	Davao City, Bunawan, Matanao, Maco, Nabunturan, Kidapawan	October 1-5, 2012
20	NP-12-02	Mindanao	Mindanao Regional Control Center (Carmen S/S)	October 4-5, 2012
21	MIND3-12-28	Mindanao District 3	Carmen, Kibawe, Tagoloan, Aplaya, Kibawe, Maramag	October 15-19, 2012
22	PUC-12-07	Mindanao	Gen. Santos-Tacurong 138kV Transmission	October 17-19, 2012

Source: Transco



Annex 3. Summary Inspection Report (PUC) as of October 2012

No. of Obs.	Observation Report No.	Inspection Date/ Area	Description of Observation (TransCo)	Action Plan / Remarks (NGCP)	NGCP Reply	
					Status	DATE
<b>VISAYAS</b>						
1	(PUC-12-01) OR-PUC-12-01	Jan. 18-20, 2012 Iloilo	The contract expiry was on December 9, 2011 and the proposed contract Time Extension is still under process.	To date, the proposed Contract Time Extension is still under evaluation at the Visayas Project Division. Proposed Contract Time extension (CTE) is under final review by Project Field Office and consolidation of additional documents to support and contractor's request for CTE. These documents will be submitted to VPD-Cebu Office for further review on April 24, 2012 and subsequent endorsement to NGCP HO for approval. At present, all contractor's actual accomplishment beyond the original contract expiry, is subject to liquidated damages, pending approval of the CTE.	OPEN	14-Jun-12
2	OR-PUC-12-02	Jan. 18-20, 2012	Based from the approved Construction Schedule, the TL project has a variance of (-) 51.64%.	Already requested the Contractor to add manpower 7 equipment to fast track the project implementation. As of April 17, 2012, actual accomplishment of the Transmission Line Project is 77.79%. The contractor has committed to complete the project on October 31, 2012. Continually coordinate & compel the contractor to provide adequate project resources in order to sustain the progress of activities at site.	OPEN w/ attachment	14-Jun-12

3	OR-PUC-12-03	Jan. 18-20, 2012	Presence of extra holes on the connection plates.	To counter-check/ verify the approved fabrication and erection drawings. 1) Instructed the contractor (JV of TBEA & NEIE) to correct the observed deficiencies of the connection plates (April 13, 2012). 2) Contractor committed to complete correction works of Tower No. 28 on April 22, 2012 per their attached letter dated April 18, 2012.	OPEN w/ attachment	14-Jun-12
4	OR-PUC-12-04	Jan. 18-20, 2012	Some nuts (lock nuts) are missing and loose on the erected towers.	To rectify and install the missing and loose nuts. 1) Instructed the contractor (JV of TBEA & NEIE) to install some missing lock nuts and tighten loose nuts (April 13, 2012). 2) Contractor committed to complete correction works of Tower No.9 & 76 on April 22, 2012 per their letter dated April 18, 2012.	OPEN	14-Jun-12
5	OR-PUC-12-05	Jan. 18-20, 2012	Some lock nuts not properly tighten due to shorter length of the bolts.	To rectify and install the proper/ required bolts. 1) Instructed the contractor (JV of TBEA & NEIE) to replace short/undersize length of bolts and properly tighten some lock nuts. 2) Contractor committed to complete correction works of Tower No. 28 on April 22, 2012 per their letter dated April 18, 2012.	OPEN	14-Jun-12
6	(PUC-12-02) OR-PUC-12-06	May 17-18, 2012 <b>Bohol</b>	Non-issuance of contract time extensions.	To issue approved contract time extension. The requests for contract time extensions are presently being evaluated & if found warranted, necessary imposition of liquidated damages will be applied consistent with the contract specifications.		9-Jul-12
7	(PUC-12-03) OR-PUC-12-07	May 30- June 1, 2012	The requested documents under letter dated May 25, 2012 are yet to be provided by NGCP to TransCo.	For submission to TransCo. Already submitted to TransCo.	Closed	13-Aug-12

8	(PUC-12-04) OR-PUC-12-08	June 20-22, 2012 Visayas	The power and control cables under the supply contract No. Sp10.VPCBRP2.Vs-0037 were not utilized. The project booking and unitization should be noted and traceability of supplied item should be documented.	Turn-over document will be prepared by VPD for handover to VOM. Close out will be done during the project handover to VOM. The turnover document cannot be finalized as the cable laying is still being conducted as needed on the on-going Test & commissioning activities.	-	9-Aug-12
9	OR-PUC-12-09	June 20-22, 2012	Test reports for power cables and control cables are not available for contract nos. Sp10.VPCBRP2.Vs-0037 and Sp10.VPCBRP2.Vc.0059.	For submission. Document transmitted to TransCo.	Closed	9-Aug-12
10	OR-PUC-12-10	June 20-22, 2012	The rating of PCB as delivered and documented in the Certificate of Delivery to Site (CDS No. VPCBRP2-001, items A2 & 3) dated June 20, 2011 is not as specified. Same is true for the issued Waiver.	For documentary correction. VPD to issue revised CDS, MRIR, IR with corrected and closed-out items. Already revised the Certificate of Delivery to Site (CDS).	Closed	9-Aug-12
11	OR-PUC-12-11	June 20-22, 2012	The erection contract No. Sp10.VPCBRP2.Vc.0059 expired on May 28, 2012 and no approved contract time extension yet.	Under evaluation of VPD. Contractor's request for contract time extension denied thru Memorandum Ref. No. PDI/VPCB2-12-07 dtd. June 25, 2012	Closed	9-Aug-12
12	OR-PUC-12-12	June 20-22, 2012	The MRIR PCB 2-001 dated June 2011 has an outstanding item of "Mnfg./Test Cert not submitted".	MRIR for close-out. Manufacturing/Test Certificates already submitted.	Closed	9-Aug-12
13	(PUC-12-05) OR-PUC-12-13	July 25-17, 2012	The replaced PCB at the Bacolod SS with Serial No. KD69049E21-8 ar reported in the "Report of Retirement, Transfer and Loss of Property, Plant and Equipment (PPE)" is not as specified in the "Memorandum: Ref. No. VPD-SM-11-03" dated 26 April 2011.	To coordinate with O&M for revision of the Report of Retirement. Report of Retirement already revised & a copy was furnished to TransCo.	Closed	22-Aug-12
14	OR-PUC-12-14	July 25-17, 2012	Test reports for the delivered insulators, power, control & instrumentation cables and steel parts are not available.	VPD to request Factory Acceptance Test Result from contractor/ NGCP Design. VPD to provide said results to TransCo. Test Reports & Certificates were already submitted to TransCo.	Closed	22-Aug-12

15	OR-PUC-12-15	July 25-17, 2012	Commissioning Test Result not available.	VPD to provide Commissioning Test Results to TransCo. Commissioning Test Result already submitted.	Closed	22-Aug-12
16	OR-PUC-12-16	July 25-17, 2012	The MRIR Nos. PCB1 001, 002 & 003 dated February 10, 11 & 12, 2011 have an outstanding item of "Mnfg./Test Cert. not submitted".	Manufacturing Test turned over to NGCP by contractor. VPD to close out open MRIRs. Manufacturing/Test Certificates already submitted.	Closed	22-Aug-12
17	OR-PUC-12-17	July 25-17, 2012	Presence of stagnant water on the PCB foundation in Mabinay Substation (7-03CB24MAB).	VPD to coordinate with ABB rectify the said observation. The contractor already rectified PCB foundations to eliminate stagnant water.	Closed	25-Sep-12
<b>MINDANAO</b>						
1	(PUC-12-06) OR-PUC-12-18	August 28-31, 2012	List of the excess materials is not yet available. The project booking and unitization should be noted and traceability of supplied item should be documented.	For submission to TransCo & COA once the finalization of the inventory is completed.		
2	OR-PUC-12-19	August 28-31, 2012	Approved detailed Accomplishment Report not available. This is needed by COA for their evaluation of the Final Billing.	For submission to TransCo & COA upon approval.		
3	OR-PUC-12-20	August 28-31, 2012	No available Close-out/Correction Report yet. The report should be approved by the QSMD.	For submission to TransCo & COA after the completion of the Close-out Report.		
4	OR-PUC-12-21	August 28-31, 2012	No available As-Built Structure List/Drawings. This should be the basis of the actual structures erected/installed.	For submission to TransCo & COA.		
5	(PUC-12-07) OR-PUC-12-22	October 17-19, 2012	The results of the Joint Final Inspection conducted on July 11-13, 2012 (punch List, as of 16 July 2012) are yet to be corrected by the contractor.	The contractor agreed to correct the identified deficiencies listed in the Punch List. A time table for the correction was already submitted during the coordination meeting with NGCP.		
6	OR-PUC-12-23	October 17-19, 2012	Some of the requested documents are yet to be submitted by NGCP to TransCo (please refer to the TransCo's Notice of Inspection Letter dated October 3, 2012 and check-list).	For submission.		

7	OR-PUC-12-24	October 17-19, 2012	Installed transformer at the Tacurong Substation has oil leaks on valves.	For correction by the contractor.		
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*Source: TransCo*

## Annex 4. Status of Private Distribution Utilities' (PDUs) Rate Applications to Energy Regulatory Commission (ERC) as of October 2012

Entry Group	DU	Case Number/ Date of Filing	Regulatory Period	RY 2012 Rate (PhP/kWh)			Factors Contributory to Change	Status
				Previous Rates	ERC Approved	Increase/Decrease		
1st	MERALCO	2011-088 RC 21-Jun-2011	2011-2015	1.6464	1.6012	(0.0452)	Plowback of fifty percent (50%) of net income derived from related business undertakings and income from the sale of disposed assets.	Awaiting Final Decision by the ERC; last Evidentiary Hearing was conducted by the ERC on August 30, 2012.
	DECORP	2011-106 RC 28-July-2011	2011-2015	1.7100	1.8167	0.1067	Under-recoveries in revenue for RY 2011.	Final Decision issued by ERC on Nov. 14, 2011
	CEPALCO	2010-064 RC/ 15-Jun-2010	2011-2015	1.5705	1.3467	(0.2238)	Over recoveries in revenue for RY 2011.	Final Decision issued by ERC on Dec. 19, 2011
2nd	CLPC	2010-149 RC/ Dec. 15, 2010	2009-2013	1.5056	1.6660	0.1604	Under-recovery of PhP1.86 million in Systems Losses for the period Nov. 2009 to Oct. 2010.	Final Decision issued by ERC on Feb. 28, 2011
	MECO	2010-154 RC/ Dec. 17, 2010	2009-2013	1.0149	1.0839	0.0690	Timely implementation of its Capital Expenditure Program and its operating and maintenance programs for RY 2012.	Final Decision issued by ERC on Feb. 28, 2011



	ILPI	2010-153 RC/ Dec. 21, 2010	2010-2013	1.1256	1.3669	0.2413	Timely implementation of its Capital Expenditure Program and its operating and maintenance programs for RY 2012.	Final Decision issued by ERC on June 21, 2011
3rd	DLPC	2011-048 RC/ Mar. 28, 2011	2010-2014	1.1633	1.2688	0.1055	Timely implementation of its Capital Expenditure Program and its operating and maintenance programs for RY 2012.	Final Decision issued by ERC on June 29, 2011
	IIEEC	2011-061 RC/ Apr. 7, 2011	2010-2014	1.4864	1.6408	0.1544	Timely implementation of its Capital Expenditure Program and its operating and maintenance programs for RY 2012.	Final Decision issued by ERC on July 4, 2011
	LUECO	2011-055 RC Apr. 1, 2011	2011-2014	1.2326	1.3856	0.1530	Under-recoveries during the RY 2012 due to the combined RORB MAP rates and PBR MAP RY 2011 rates when it established the historical revenue from January to December 2010.	Final Decision issued by ERC on June 29, 2011
	TEI	2011-049 RC/ Mar. 25, 2011	2011-2014	1.2031	1.4235	0.2204	Fulfilment of its obligations under the PBR.	Final Decision issued by ERC on June 29, 2011
	CELCOR	2011-050 RC/	2011-2014	1.4275	1.5365	0.1090	Incentive performance reward as provided	Final Decision issued by ERC on June 29, 2011

		Mar. 28, 2011						under the RDWR.	
	VECO	2011-046 RC/ Mar. 28, 2011	2011-2014	1.1717	1.2970	0.1253		Under-recovery of the amount representing actual company use for the first regulatory year (RY 2011), and under-recovery of distribution-related charges for the billing month of July 2010 due to the delayed implementation of the distribution-related charges.	Final Decision issued by ERC on June 29, 2011
4th	SEZ	2011-121 RC/ Aug. 24, 2011	2011-2015	1.1060	1.4734	0.3674		Fulfilment of its obligations under the PBR and timely implementation of its capital expenditure program and its operating and maintenance programs for RY 2012.	Final Decision issued by ERC on Nov. 2, 2011
	PECO	2011-117 RC/ Aug. 24, 2011	2011-2015	1.0422	1.2223	0.1801		Fulfilment of its obligations under the PBR and timely implementation of its CAPEX and O&M programs for RY 2012.	Final Decision issued by ERC on Nov. 2, 2011
	CEDC	2011-118 RC/ Aug. 24, 2011	2011-2015	0.6099	0.8527	0.2428		Timely implementation of its Capital Expenditure Program and its operating and maintenance programs for RY 2012.	Final Decision issued by ERC on Apr. 10, 2012

SFELAPCO	2011-122 RC/ Aug. 24, 2011	2012-2015	1.1948	1.5595	0.3647	Inclusion of a new customer and avoidance of future over-recoveries	Final Decision issued by ERC on Feb. 27, 2012
AEC	2011-124 RC/ Aug. 25, 2011	2012-2015	1.0447	1.3115	0.2668	Avoidance of future under-recoveries.	Final Decision issued by ERC on Dec. 19, 2011
BLCI	2011-145 RC/ Oct. 24, 2011	2012.2015	0.8122	1.0181	0.2059	Avoidance of future under-recoveries.	Final Decision issued by ERC on Apr. 23, 2012

Source: ERC Website

## Annex 5. NGCP Related Petitions to ERC as of 31 October 2012

ERC DECISION/ CASE NO.	DATE OF FILING	NATURE OF PETITION	GROUNDS FOR FILING	STATUS																		
ERC Case No. 2012-070RC	07 May 2012	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	<ul style="list-style-type: none"> <li>DECLARE the flooding and landslide events in Mindanao area and Typhoons Bebeng and Juaning as Force Majeure Events;</li> <li>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;</li> <li>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 said events, as shown in the table below;</li> </ul> <table border="1"> <thead> <tr> <th>FME</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Luzon</td> <td>0.0051</td> <td>0.0069</td> <td>0.0068</td> <td>0.0068</td> <td>0.0256</td> </tr> <tr> <td>Mindanao</td> <td>0.0962</td> <td>0.0642</td> <td>0.0639</td> <td>0.0635</td> <td>0.2878</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>GRANT provisional authority to implement and bill the FME Pass-Through Amount to Luzon and Mindanao customers from 26 April 2012 to 25 December 2015 or until such time that the amount incurred is fully recovered; and</li> <li>EXCLUDE the proposed Pass-Through Amount from the side constraint calculation.</li> </ul>	FME	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	<ul style="list-style-type: none"> <li>As of October 23, 2012 The cross-examination of the five (5) witnesses was terminated. However, Meralco will submit a manifestation whether or not they will pursue their cross examination on the last witness of NGCP (Mr. Lope L. Cañete-Head of District 1, Visayas O&amp;M) or in lieu of that they will just submit a written interrogatory to the Commission.</li> </ul>
FME	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																	

Source: Transco

## Annex 6. Metered Quantity, Spot Quantity, Bilateral Quantity (MWh)

Billing Month		Metered Quantity (Load), MWh	Spot Quantity (Load), MWh	%	Bilateral Contract Quantity, MWh	%
1	Jul-2006	3,094,164.95	1,355,434.37	44%	1,738,730.58	56%
2	Aug-2006	3,147,800.36	1,159,428.23	37%	1,988,372.13	63%
3	Sep-2006	3,314,855.13	1,291,334.84	39%	2,023,520.30	61%
4	Oct-2006	2,873,285.25	1,224,467.60	43%	1,648,817.65	57%
5	Nov-2006	3,234,958.03	1,069,288.10	33%	2,165,669.93	67%
6	Dec-2006	2,972,091.65	519,152.06	17%	2,452,939.59	83%
7	Jan-2007	3,035,805.04	589,925.05	19%	2,445,879.99	81%
8	Feb-2007	3,102,610.89	510,281.30	16%	2,592,329.59	84%
9	Mar-2007	2,980,658.77	536,155.65	18%	2,444,503.12	82%
10	Apr-2007	3,407,504.68	698,602.96	21%	2,708,901.72	79%
11	May-2007	3,460,944.49	503,878.03	15%	2,957,066.46	85%
12	Jun-2007	3,561,655.99	805,535.91	23%	2,756,120.08	77%
13	Jul-2007	3,408,973.90	531,237.60	16%	2,877,736.29	84%
14	Aug-2007	3,286,050.22	460,225.65	14%	2,825,824.57	86%
15	Sep-2007	3,362,494.13	358,578.07	11%	3,003,916.06	89%
16	Oct-2007	3,229,031.96	247,585.19	8%	2,981,446.77	92%
17	Nov-2007	3,204,655.78	346,596.90	11%	2,858,058.88	89%
18	Dec-2007	3,083,441.24	371,343.26	12%	2,712,097.98	88%
19	Jan-2008	3,131,009.80	411,372.54	13%	2,719,637.26	87%
20	Feb-2008	3,212,635.82	454,532.74	14%	2,758,103.08	86%

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## Annex 6. Metered Quantity, Spot Quantity, Bilateral Quantity (MWh)

Billing Month		Metered Quantity (Load), MWh	Spot Quantity (Load), MWh	%	Bilateral Contract Quantity, MWh	%
21	Mar-2008	3,041,008.30	354,398.37	12%	2,686,609.93	88%
22	Apr-2008	3,634,855.57	634,329.07	17%	3,000,526.50	83%
23	May-2008	3,323,367.13	356,234.23	11%	2,967,132.90	89%
24	Jun-2008	3,538,106.32	400,132.11	11%	3,137,974.21	89%
25	Jul-2008	3,435,104.78	408,863.87	12%	3,026,240.91	88%
26	Aug-2008	3,399,912.16	372,803.00	11%	3,027,109.16	89%
27	Sep-2008	3,530,050.75	511,447.58	14%	3,018,603.17	86%
28	Oct-2008	3,421,671.57	466,154.42	13.6%	2,955,517.15	86%
29	Nov-2008	3,447,266.38	535,759.02	15.5%	2,911,507.37	84%
30	Dec-2008	3,151,245.74	545,175.13	17.3%	2,606,070.61	83%
31	Jan-2009	2,906,720.56	604,622.65	20.8%	2,302,097.92	79%
32	Feb-2009	3,358,810.66	766,465.14	22.8%	2,592,345.53	77%
33	Mar-2009	3,222,969.29	537,701.69	16.7%	2,685,267.60	83%
34	Apr-2009	3,503,547.55	414,910.72	11.8%	3,088,636.83	88%
35	May-2009	3,463,438.29	516,030.34	14.9%	2,947,407.95	85%
36	Jun-2009	3,608,313.89	475,456.08	13.2%	3,132,857.82	87%
37	Jul-2009	3,538,571.31	357,675.26	10.1%	3,180,896.05	90%
38	Aug-2009	3,671,459.51	586,189.83	16.0%	3,085,269.69	84%
39	Sep-2009	3,652,903.81	486,078.85	13.3%	3,166,824.96	87%
40	Oct-2009	3,347,101.84	512,979.44	15.3%	2,834,122.40	85%

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## Annex 6. Metered Quantity, Spot Quantity, Bilateral Quantity (MWh)

Billing Month		Metered Quantity (Load), MWh	Spot Quantity (Load), MWh	%	Bilateral Contract Quantity, MWh	%
41	Nov-2009	3,575,986.76	474,059.82	13.3%	3,101,926.94	87%
42	Dec-2009	3,381,576.00	447,970.83	13.2%	2,933,605.16	87%
43	Jan-2010	3,391,691.08	464,968.76	13.7%	2,926,722.32	86%
44	Feb-2010	3,709,258.54	678,908.20	18.3%	3,030,350.34	82%
45	Mar-2010	3,496,870.27	479,469.01	13.7%	3,017,401.26	86%
46	Apr-2010	3,785,877.48	587,784.31	15.5%	3,198,093.17	84%
47	May-2010	4,025,236.25	632,741.76	15.7%	3,392,494.49	84%
48	Jun-2010	4,120,067.20	711,151.61	17.3%	3,408,915.59	83%
49	Jul-2010	3,705,460.47	594,644.27	16.0%	3,110,816.20	84%
50	Aug-2010	3,900,844.43	462,747.56	11.9%	3,438,096.86	88%
51	Sep-2010	3,893,171.32	321,815.88	8.3%	3,571,355.44	92%
52	Oct-2010	3,721,843.57	363,704.17	9.8%	3,358,139.40	90%
53	Nov-2010	3,791,123.99	448,742.73	11.8%	3,342,381.26	88%
54	Dec-2010	3,618,918.64	403,623.82	11.2%	3,215,294.82	89%
55	Jan-2011	4,065,400.56	272,481.78	6.7%	3,792,918.77	93%
56	Feb-2011	4,405,384.21	470,203.49	10.7%	3,935,180.72	89%
57	Mar-2011	4,072,738.35	263,789.55	6.5%	3,808,948.79	94%
58	Apr-2011	4,313,514.71	202,777.98	5%	4,110,736.73	95%
59	May-2011	4,675,217.40	399,466.39	9%	4,275,751.00	91%

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## Annex 6. Metered Quantity, Spot Quantity, Bilateral Quantity (MWh)

Billing Month		Metered Quantity (Load), MWh	Spot Quantity (Load), MWh	%	Bilateral Contract Quantity, MWh	%
60	Jun-2011	4,665,692.14	453,082.12	10%	4,212,610.01	90%
61	Jul-2011	4,496,424.04	358,118.31	8%	4,138,305.73	92%
62	Aug-2011	4,588,527.67	280,049.63	6%	4,308,478.03	94%
63	Sep-2011	4,591,257.49	364,979.67	8%	4,226,277.81	92%
64	Oct-2011	4,359,048.50	435,802.47	10%	3,923,246.03	90%
65	Nov-2011	4,597,790.37	460,942.12	10%	4,136,848.25	90%
66	Dec-2011	4,386,874.52	524,084.49	12%	3,862,790.03	88%
67	Jan-2012	4,335,207.47	261,447.91	6%	4,073,759.57	94%
68	Feb-2012	4,519,990.57	251,555.63	6%	4,268,434.94	94%
69	Mar-2012	4,416,326.59	389,036.20	9%	4,027,290.40	91%
70	Apr-2012	4,724,661.49	303,929.41	6%	4,420,732.08	94%
71	May-2012	4,980,881.89	373,513.98	7%	4,607,367.91	93%
72	Jun-2012	5,080,154.44	513,897.32	10%	4,566,257.12	90%
73	Jul-2012	4,756,271.85	686,471.55	14%	4,069,800.30	86%
74	Aug-2012	4,502,480.50	288,702.16	6%	4,213,766.33	94%
75	Sep-2012	4,745,836.69	391,723.48	8%	4,354,113.21	92%
76	Oct-2012	4,656,469.61	382,553.20	8%	4,273,916.41	92%
77	Nov-2012	4,744,798.66	405,825.13	9%	4,338,973.53	91%

Source: PEMC

## Annex 7. Demand and Energy Offers (MW) (Luzon)

Billing Month	Peak Demand	Coincidental Energy Offers	Average Demand	Average Energy Offers	Average Capacity on Outage	
1	Jul-2006	6,111	7,185	4,778	6,242	2,634
2	Aug-2006	5,888	5,950	4,634	6,027	2,094
3	Sep-2006	6,113	6,705	4,887	6,446	1,743
4	Oct-2006	5,895	6,653	4,323	5,818	1,866
5	Nov-2006	5,894	5,808	4,715	5,769	2,223
6	Dec-2006	5,869	5,925	4,468	5,257	3,188
7	Jan-2007	5,739	5,794	4,407	5,250	1,815
8	Feb-2007	6,021	5,965	4,529	5,371	1,737
9	Mar-2007	6,108	5,747	4,845	5,362	1,846
10	Apr-2007	6,559	6,268	4,991	5,284	1,769
11	May-2007	6,590	6,831	5,249	5,766	770
12	Jun-2007	6,547	6,308	5,187	5,631	1,137
13	Jul-2007	6,413	5,384	5,124	5,099	1,454
14	Aug-2007	6,339	6,015	4,880	5,675	953
15	Sep-2007	6,376	6,073	4,894	5,568	1,440
16	Oct-2007	6,103	6,260	4,872	5,723	1,725
17	Nov-2007	6,088	5,964	4,659	5,833	1,608
18	Dec-2007	6,092	5,989	4,645	5,529	1,106
19	Jan-2008	5,949	6,495	4,564	5,594	1,166
20	Feb-2008	6,034	5,880	4,676	5,410	1,618
21	Mar-2008	6,205	5,664	4,725	5,337	1,800
22	Apr-2008	6,619	6,584	5,301	5,949	1,149
23	May-2008	6,590	7,141	5,035	6,344	967
24	Jun-2008	6,681	6,733	5,159	6,639	860
25	Jul-2008	6,512	6,401	5,164	5,909	1,168

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Billing Month		Peak Demand	Coincidental Energy Offers	Average Demand	Average Energy Offers	Average Capacity on Outage
26	Aug-2008	6,373	6,795	4,948	6,189	1,459
27	Sep-2008	6,448	6,516	5,120	6,534	1,300
28	Oct-2008	6,520	6,316	5,124	5,825	1,845
29	Nov-2008	6,395	6,361	4,986	5,828	1,204
30	Dec-2008	6,338	6,826	4,711	6,327	946
31	Jan-2009	6,050	6,512	4,191	5,603	1,472
32	Feb-2009	6,421	6,240	4,853	5,969	1,281
33	Mar-2009	6,638	6,721	5,167	6,315	1,104
34	Apr-2009	6,810	7,220	5,068	6,374	1,383
35	May-2009	6,842	7,493	5,157	6,788	1,250
36	Jun-2009	6,932	7,374	5,203	6,876	1,432
37	Jul-2009	6,819	7,482	5,258	6,875	980
38	Aug-2009	6,833	7,263	5,255	6,692	1,577
39	Sep-2009	6,870	7,044	5,228	7,007	1,592
40	Oct-2009	6,501	6,532	4,935	6,511	2,427
41	Nov-2009	6,585	7,474	5,141	6,912	1,024
42	Dec-2009	6,564	7,195	5,070	6,720	1,176
43	Jan-2010	6,391	6,266	4,902	5,813	2,071
44	Feb-2010	6,877	6,783	5,435	5,592	2,520
45	Mar-2010	7,037	6,347	5,683	5,864	1,867
46	Apr-2010	7,296	7,169	5,574	6,079	1,696
47	May-2010	7,558	7,152	6,101	6,932	631
48	Jun-2010	7,643	7,791	6,027	6,618	1,245
49	Jul-2010	7,242	7,447	5,605	6,247	1,712
50	Aug-2010	7,042	7,049	5,699	6,780	1,737
51	Sep-2010	7,039	7,170	5,656	6,480	2,193

Billing Month		Peak Demand	Coincidental Energy Offers	Average Demand	Average Energy Offers	Average Capacity on Outage
52	Oct-2010	7,044	6,731	5,576	5,986	2,445
53	Nov-2010	6,842	6,857	5,512	6,229	2,214
54	Dec-2010	6,902	7,028	5,543	6,354	2,121
55	Jan-2011	6,587	6,778	5,035	6,299	
56	Feb-2011	6,864	7,161	5,366	6,796	
57	Mar-2011	6,973	7,655	5,484	7,279	
58	Apr-2011	7,037	7,419	5,384	6,953	
59	May-2011	7,507	7,326	6,059	6,892	
60	Jun-2011	7,530	7,338	5,828	6,964	
61	Jul-2011	7,404	7,742	5,814	6,722	
62	Aug-2011	7,188	7,394	5,699	6,847	
63	Sep-2011	7,099	7,039	5,686	6,789	
64	Oct-2011	7,219	7,252	5,594	6,552	
65	Nov-2011	7,193	7,157	5,713	7,015	
66	Dec-2011	7,137	7,154	5,610	6,896	
67	Jan-2012	7,034	6,978	5,395	6,622	
68	Feb-2012	7,164	7,635	5,650	7,183	
69	Mar-2012	7,500	7,935	5,942	7,289	
71	Apr-12	7,894	7,590	5,939	7,251	
72	May-12	7,898	7,660	6,484	6,985	
73	Jun-12	7,685	6,987	6,220	6,710	
74	Jul-12	7,564	7,098	5,976	6,700	
75	Aug-12	7,244	7,895	5,488	7,667	
76	Sep-12	7,298	7,244	5,849	7,345	

Billing Month		Peak Demand	Coincidental Energy Offers	Average Demand	Average Energy Offers	Average Capacity on Outage
77	Oct-12	7,394	7,426	5,949	7,220	
78	Nov-12	7,434	7,071	5,878	7,239	

Source: PEMC

## Annex 8. Demand and Energy Offers (MW) (Visayas)

Billing Month		Peak Demand	Coincidental Energy Offers	Average Demand	Average Energy Offers	Average Capacity on Outage
55	Jan-2011	1,264	1,305	948	1,243	
56	Feb-2011	1,282	1,272	968	1,207	
57	Mar-2011	1,309	1,389	999	1,277	
58	Apr-2011	1,346	1,511	1,004	1,363	
59	May-2011	1,383	1,493	1,087	1,434	
60	Jun-2011	1,356	1,490	1,069	1,446	
61	Jul-2011	1,381	1,560	1,071	1,490	
62	Aug-2011	1,355	1,587	1,051	1,509	
63	Sep-2011	1,405	1,511	1,085	1,559	
64	Oct-2011	1,377	1,532	1,064	1,494	
65	Nov-2011	1,407	1,669	1,076	1,460	
66	Dec-2011	1,447	1,618	1,084	1,527	
67	Jan-2012	1,369	1,586	1,020	1,527	
68	Feb-2012	1,348	1,605	1,024	1,531	
69	Mar-2012	1,369	1,600	1,069	1,532	
70	Apr-12	1,460	1,710	1,085	1,603	
71	May-12	1,444	1,647	1,153	1,600	
72	Jun-12	1,423	1,728	1,118	1,618	
73	Jul-12	1,436	1,539	1,100	1,519	
74	Aug-12	1,462	1,623	1,130	1,547	
75	Sep-12	1,448	1,651	1,119	1,531	
76	Oct-12	1,425	1,488	1,123	1,482	

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Billing Month		Peak Demand	Coincidental Energy Offers		Average Demand	Average Energy Offers	Average Capacity on Outage
77	Nov-12		1,467	1,503	1,125	1,496	

Source: PEMC



## Annex 9. Generation Mix (%)

Billing Month		Hydro	Geo	Coal	Nat Gas	Diesel/Oil	Wind	Biofuel
1	Jul-06	12.53%	9.28%	33.67%	43.16%	1.27%	0.09%	
2	Aug-06	21.78%	8.89%	24.27%	44.91%	0.08%	0.07%	
3	Sep-06	18.37%	9.29%	29.71%	42.49%	0.09%	0.04%	
4	Oct-06	13.81%	6.34%	28.65%	49.74%	1.25%	0.21%	
5	Nov-06	15.72%	7.03%	26.93%	47.25%	2.90%	0.17%	
6	Dec-06	17.15%	6.58%	30.53%	35.12%	10.24%	0.38%	
7	Jan-07	11.72%	6.61%	30.30%	50.47%	0.61%	0.30%	
8	Feb-07	10.76%	9.57%	28.08%	49.97%	1.46%	0.15%	
9	Mar-07	8.62%	9.46%	33.48%	45.65%	2.66%	0.14%	
10	Apr-07	6.67%	8.83%	31.52%	46.03%	6.84%	0.11%	
11	May-07	5.12%	7.47%	36.34%	48.21%	2.80%	0.06%	
12	Jun-07	9.29%	8.88%	32.39%	44.63%	4.80%	0.02%	
13	Jul-07	8.93%	9.57%	32.21%	39.69%	9.56%	0.04%	
14	Aug-07	9.29%	10.14%	33.72%	44.87%	1.88%	0.09%	
15	Sep-07	11.80%	10.62%	29.68%	47.24%	0.61%	0.04%	
16	Oct-07	16.15%	11.26%	31.15%	39.86%	1.35%	0.23%	
17	Nov-07	17.07%	11.54%	31.76%	38.46%	0.91%	0.28%	
18	Dec-07	16.09%	11.71%	30.97%	37.42%	3.61%	0.20%	
19	Jan-2008	11.32%	11.60%	31.77%	43.24%	1.83%	0.25%	
20	Feb-2008	11.76%	11.48%	29.86%	43.77%	2.86%	0.26%	
21	Mar-2008	11.92%	10.85%	21.28%	52.86%	2.88%	0.21%	
22	Apr-2008	7.68%	9.93%	29.26%	48.43%	4.63%	0.07%	
23	May-2008	12.08%	10.07%	27.65%	49.28%	0.85%	0.08%	

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Billing Month		Hydro	Geo	Coal	Nat Gas	Diesel/Oil	Wind	Biofuel
24	Jun-2008	14.92%	10.23%	28.65%	45.09%	1.09%	0.03%	
25	Jul-2008	12.88%	9.40%	29.65%	42.99%	5.04%	0.04%	
26	Aug-2008	15.07%	11.42%	21.23%	47.02%	5.18%	0.08%	
27	Sep-2008	14.91%	10.41%	24.68%	45.40%	4.54%	0.05%	
28	Oct-2008	15.37%	9.31%	32.54%	39.82%	2.84%	0.12%	
29	Nov-2008	10.92%	9.59%	36.02%	40.69%	2.61%	0.18%	
30	Dec-2008	11.44%	9.28%	33.34%	45.08%	0.57%	0.29%	
31	Jan-2009	11.61%	12.99%	36.68%	37.97%	0.34%	0.40%	
32	Feb-2009	10.16%	10.24%	35.38%	42.23%	1.81%	0.17%	
33	Mar-2009	7.77%	10.10%	32.95%	46.79%	2.31%	0.09%	
34	Apr-2009	6.17%	9.72%	32.54%	46.65%	4.76%	0.15%	
35	May-2009	11.42%	8.92%	29.58%	44.95%	4.95%	0.17%	
36	Jun-2009	14.27%	8.46%	26.88%	45.88%	4.44%	0.08%	
37	Jul-2009	13.85%	8.33%	30.58%	45.82%	1.38%	0.04%	
38	Aug-2009	17.95%	7.75%	26.92%	43.92%	3.42%	0.04%	
39	Sep-2009	17.01%	7.12%	24.69%	47.59%	3.56%	0.04%	
40	Oct-2009	21.46%	8.08%	20.64%	46.80%	2.92%	0.11%	
41	Nov-2009	11.41%	8.84%	30.12%	46.82%	2.62%	0.19%	
42	Dec-2009	9.76%	8.91%	30.80%	48.50%	1.79%	0.24%	
43	Jan-2010	9.58%	9.76%	30.48%	45.93%	3.97%	0.28%	
44	Feb-2010	8.19%	8.04%	42.71%	32.69%	8.27%	0.10%	
45	Mar-2010	6.45%	8.56%	46.90%	28.70%	9.30%	0.08%	
46	Apr-2010	4.53%	7.46%	43.11%	37.75%	7.00%	0.15%	
47	May-2010	3.86%	6.51%	44.52%	40.50%	4.57%	0.04%	

Billing Month		Hydro	Geo	Coal	Nat Gas	Diesel/Oil	Wind	Biofuel
48	Jun-2010	4.69%	6.46%	42.54%	40.69%	5.58%	0.04%	
49	Jul-2010	8.75%	6.47%	35.74%	41.20%	7.81%	0.02%	
50	Aug-2010	11.25%	6.51%	35.38%	41.44%	5.28%	0.14%	
51	Sep-2010	11.36%	6.56%	33.22%	44.17%	4.62%	0.06%	
52	Oct-2010	9.87%	7.46%	33.21%	43.92%	5.46%	0.08%	
53	Nov-2010	12.15%	7.51%	34.93%	42.51%	2.64%	0.26%	
54	Dec-2010	9.70%	7.70%	37.60%	42.70%	2.00%	0.30%	
55	Jan-2011	8.30%	18.00%	39.10%	33.10%	1.10%	0.30%	0.006%
56	Feb-2011	7.66%	16.58%	34.94%	39.66%	0.93%	0.22%	0.009%
57	Mar-2011	7.07%	15.25%	38.49%	38.16%	0.72%	0.25%	0.071%
58	Apr-2011	8.3%	18.0%	39.8%	32.9%	0.7%	0.312%	0.013%
59	May-2011	7.6%	16.7%	35.0%	39.4%	1.0%	0.218%	0.023%
60	Jun-2011	7.1%	15.2%	38.4%	38.0%	1.1%	0.239%	0.050%
61	Jul-2011	5.6%	15.9%	39.8%	37.6%	0.8%	0.219%	0.122%
62	Aug-2011	4.4%	14.6%	42.2%	35.7%	2.9%	0.056%	0.036%
63	Sep-2011	5.8%	15.1%	41.1%	36.9%	1.0%	0.049%	0.000%
64	Oct-11	13.7%	14.3%	34.6%	34.3%	3.1%	0.100%	0.006%
65	Nov-11	10.7%	14.5%	36.5%	36.6%	1.4%	0.196%	0.059%
66	Dec-11	10.2%	15.5%	37.6%	34.9%	1.4%	0.294%	0.086%
67	Jan-12	9.0%	16.2%	36.0%	37.0%	1.4%	0.285%	0.089%
68	Feb-12	8.0%	15.8%	39.0%	35.8%	1.1%	0.167%	0.115%
69	Mar-12	6.8%	16.1%	40.1%	35.3%	1.6%	0.128%	0.088%
70	Apr-12	6.0%	15.7%	42.5%	33.4%	2.1%	0.118%	0.065%
71	May-12	5.5%	14.4%	42.9%	33.3%	4.0%	0.018%	0.012%

May 2012 - October 2012

Billing Month		Hydro	Geo	Coal	Nat Gas	Diesel/Oil	Wind	Biofuel
72	Jun-12	7.00%	14.86%	41.28%	32.86%	3.87%	0.10%	0.01%
73	Jul-12	8.99%	15.52%	41.23%	31.17%	3.06%	0.03%	0.01%
74	Aug-12	16.22%	15.53%	35.17%	32.30%	0.63%	0.14%	0.00%
75	Sep-12	14.78%	14.56%	35.95%	33.03%	1.61%	0.07%	0.00%
76	Oct-12	9.59%	14.74%	40.85%	32.29%	2.29%	0.19%	0.04%
77	Nov-12	8.63%	14.98%	44.72%	29.34%	2.08%	0.14%	0.10%

Source: PEMC

## Annex 10. Effective Settlement Prices

EFFECTIVE SETTLEMENT PRICES (PhP/MWh)				
	Billing Month	ESP (w/ Surplus)	ESP (w/o Surplus)	Cumulative Average ESP
1	Jul-2006	3,255.36	3,094.12	3,152
2	Aug-2006	3,767.94	3,577.67	3,373
3	Sep-2006	4,129.05	4,129.05	3,624
4	Oct-2006	4,159.09	4,159.09	3,750
5	Nov-2006	6,092.03	5,746.92	4,115
6	Dec-2006	9,807.99	8,731.92	4,542
7	Jan-2007	3,981.62	3,791.67	4,481
8	Feb-2007	4,932.45	4,810.36	4,501
9	Mar-2007	5,936.19	5,370.34	4,560
10	Apr-2007	8,738.61	8,592.97	4,871
11	May-2007	7,555.25	6,484.51	4,962
12	Jun-2007	7,164.04	6,031.63	5,062
13	Jul-2007	8,768.71	8,350.31	5,223
14	Aug-2007	4,626.97	4,348.65	5,196
15	Sep-2007	4,309.14	3,538.37	5,147
16	Oct-2007	6,244.44	3,599.09	5,119
17	Nov-2007	5,276.00	2,618.23	5,056
18	Dec-2007	6,793.73	6,425.61	5,098
19	Jan-2008	2,551.23	2,278.66	5,010
20	Feb-2008	5,729.20	5,389.93	5,024
21	Mar-2008	6,723.81	6,373.18	5,060
22	Apr-2008	6,006.01	5,545.63	5,085
23	May-2008	2,315.63	1,734.50	5,005
24	Jun-2008	3,370.16	2,100.68	4,933

May 2012 - October 2012

EFFECTIVE SETTLEMENT PRICES (PhP/MWh)				
	Billing Month	ESP (w/ Surplus)	ESP (w/o Surplus)	Cumulative Average ESP
25	Jul-2008	16,600.93	7,872.34	5,037
26	Aug-2008	4,124.77	4,124.77	5,016
27	Sep-2008	3,911.62	3,911.62	4,981
28	Oct-2008	4,009.38	4,009.38	4,955
29	Nov-2008	5,520.95	4,833.61	4,954
30	Dec-2008	1,244.97	786.69	4,831
31	Jan-2009	1,881.33	1,797.76	4,733
32	Feb-2009	3,062.87	2,893.06	4,662
33	Mar-2009	3,395.09	2,774.35	4,614
34	Apr-2009	4,350.10	3,798.38	4,598
35	May-2009	2,871.07	2,516.38	4,548
36	Jun-2009	2,519.61	2,207.39	4,497
37	Jul-2009	3,294.88	2,041.02	4,459
38	Aug-2009	2,291.13	1,986.39	4,395
39	Sep-2009	2,080.29	1,148.78	4,328
40	Oct-2009	1,445.37	1,396.63	4,264
41	Nov-2009	2,287.51	2,089.83	4,221
42	Dec-2009	3,656.20	3,304.74	4,205
43	Jan-2010	4,559.03	4,425.10	4,209
44	Feb-2010	11,286.94	10,999.48	4,393
45	Mar-2010	13,383.73	12,253.53	4,541
46	Apr-2010	8,873.98	8,725.72	4,635
47	May-2010	8,467.56	7,933.40	4,714
48	Jun-2010	8,737.16	8,265.95	4,807
49	Jul-2010	10,542.92	9,089.57	4,902

May 2012 - October 2012

EFFECTIVE SETTLEMENT PRICES (PhP/MWh)				
Billing Month		ESP (w/ Surplus)	ESP (w/o Surplus)	Cumulative Average ESP
50	Aug-2010	5,952.68	5,034.90	4,906
51	Sep-2010	8,980.91	7,508.47	4,936
52	Oct-2010	10,276.10	9,543.00	4,993
53	Nov-2010	7,492.27	7,011.72	5,024
54	Dec-2010	6,824.19	6,394.00	5,043
Billing Month		Customer ESSP		
55	Jan-2011	3,388		
56	Feb-2011	3,453		
57	Mar-2011	2,554		
58	Apr-2011	3,404		
59	May-2011	6,408		
60	Jun-2011	4,189		
61	Jul-2011	5,179		
62	Aug-2011	4,395		
63	Sep-2011	5,035		
64	Oct-2011	8,192		
65	Nov-2011	6,050		
66	Dec-2011	5,548		
67	Jan-2012	6,321		
68	Feb-2012	4,122		
69	Mar-2012	5,405		
70	Apr-2012	4,300		
71	May-2012	8,914		
72	Jun-2012	12,667		

May 2012 - October 2012



EFFECTIVE SETTLEMENT PRICES (PhP/MWh)			
Billing Month	ESP (w/ Surplus)	ESP (w/o Surplus)	Cumulative Average ESP
73	Jul-2012	10,725	
74	Aug-2012	3,572	
75	Sep-2012	5,806	
76	Oct-2012	7,543	
77	Nov-2012	7,015	

Source: PEMC

## Annex 11. Private Sector Initiated Power Projects (Luzon) as of November 2012

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	<b>COAL</b>			<b>3,810.00</b>		
Committed	2 X 300 MW Mariveles Project	GNPower Mariveles Coal Plant Ltd. Co.	Mariveles, Bataan	600	ECC issued on 15 February 2007; SEC issued 17 March 2007; BOI Certificate issued on 13 June 2007; GIS on August 2007; Under construction; Project cost is \$1B	Unit 1 (300 MW)-December 2012 Unit 2 (300 MW)-January 2013
Committed	135 MW Puting Bato Coal Fired Power Plant Phase I	South Luzon Thermal Energy Corp. (SLTEC)(formerly TAOil)	Brgy. Puting Bato West, Calaca, Batangas	135	50-50 joint venture project of TAOIL and AC Energy Holdings, Inc.; Purchase of land signed on January 2010; EPC contractor was awarded to DMCI on 31 March 2011; DENR-ECC issued to TAOil for project on 30 April 2010, SEC issued on 29 July 2011; PPA between SLTEC and TAOil was signed on 28 October 2011; BOC registration as importer issued on 2 December 2012; transfer of ECC to SLTEC on 14 Dec. 2011; GIS issued on 17 May 2012; financial close on 28 Oct. 2011; Project cost is Php12.9B	September 2014
Indicative	2 X 20 MW FDC Camarines CFB Coal Power Plant	FDC Utilities, Inc.	Camarines Sur	40	On-going feasibility study and plant site evaluation; On-going securing of regulatory requirements; Other required permits and endorsement to be secured upon completion of pre-con activities; Financial close targeted on November 2012	Q1 2016

May 2012 - October 2012

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Indicative	2 X 300 MW Coal-Fired Power Plant	Redondo Peninsula Energy, Inc.	Sitio Naglatore, Cawag, Subic	600	Environmental Compliance Certificate Unit 1 on 2008 and Unit II on 2012, Grid Impact Studies, other permits obtained; on-going financing arrangements; site preparation construction ongoing; 52% owned by Meralco PowerGen Corp. (MPGC); public consultations conducted in Subic on 29 June 2012; Project cost Php50B	Phase I - Q4 2014 Phase II - Q2 2015
Indicative	135 MW Puting Bato Coal Fired Power Plant Phase II	South Luzon Thermal Energy Corp. (SLTEC) (formerly TAOil)	Brgy. Puting Bato West, Calaca, Batangas	135	Ongoing feasibility study; SEC Registration Certificate issued July 29, 2011; LGU Endorsement issued Feb. 14, 2012; GIS issued on 17 May 2012; Land already acquired, ongoing Titling and Conversion of Land to industrial; EPC proposal under review, for forward on Q3 2012; ECC target date to secure on Q4 2012; financing close expected by end of 2012; Project cost is Php 9.6B	Q4 2015
Indicative	2 X 300 MW Mariveles Expansion Project	GNPower Mariveles Coal Plant Ltd. Co.	Mariveles, Bataan	600	Ongoing permits; Negotiation with financing resources to commence on Q4 2012; Project cost is \$1B	Q4 2015
Indicative	Quezon Power Expansion Project	Quezon Power Phils.	Mauban, Quezon	500	ECC issued June 4, 2007; Extension of validity granted on May 31, 2012 for a 3 year extension; Municipal LGU endorsement issued April 19, 2005; Award EPC contract estimate July 2013; Design and construction to start January 2014	Q2 2016

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Indicative	SLPGC Coal-Fired Power Plant (formerly Calaca Expansion)	Southwest Luzon Power Generation Corporation (formerly by SEM-Calaca Power Corp.)	Brgy. San Rafael, Calaca, Batangas	600	Land Lease Agreement with PSALM secured; SEC registration approved 31 Aug. 2011; on-going negotiations with off-takers; ECC application approved 21 Oct. 2011; GIS with NGCP approved 8 Nov. 2011	Phase I - 2014 Phase II - 2017
Indicative	2 X 300 Masinloc Expansion	AES Masinloc Power Partners Co., Inc.	Zambales	600	Grid Impact Studies obtained on 7 January 2011; Undergoing consultation with international / local banks; ECC Amendment was released by DENR on 23 April 2012; The amended DOE Certificate of Endorsement for BOI was released on 7 May 2012	Unit 3 (300 MW) - 3rd Quarter 2016 Unit 4 (300 MW) - 3rd Quarter 2016
	<b>DIESEL</b>			<b>171.00</b>		
<b>Committed</b>	<b>CIP 2 Bunker Fired Power Plant</b>	<b>CIP II Power Corporation (TAOil)</b>	<b>Bacnotan, La Union</b>	<b>21</b>	<b>Completed ECC on 2 Aug. 2010; Ongoing GIS; EPC contractor awarded; financing from internal funds; construction started February 2011</b>	<b>3rd Qtr. 2012</b>
Indicative	Aero Derivative Combined Cycle Power Plant	Calamba Aero Power Corporation	Calamba, Laguna	150	On-going securing of permits and other regulatory requirements; granted clearance by DOE for the conduct of GIS	June 2013
	<b>NATURAL GAS</b>			<b>2,900.00</b>		
Indicative	2 X 100 MW Gas Turbine Power Project 2 X 50 MW Steam Turbine Power Project	Energy World International, Ltd	Brgy. Ibabang Polo, Grande Island, Pagbilao, Quezon	300	Various permits obtained; with financing from Standard Chartered Bank; granted permits by DOE on the LNG terminal on January 24, 2011. On-going earth moving activities at the project site.	December 2013
Indicative	300 MW Batangas Mid-Merit Plant Project	First Gen Corporation	Batangas	300	On-going securing of permits and other regulatory requirements; Acquisition of the parcels of the land in the target plant site is on-	3 <sup>rd</sup> Quarter 2014

May 2012 - October 2012

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					going; Discussion with target off-takers ongoing; On-going negotiations for financing arrangements	
Indicative	San Gabriel Power Plant	First Gas Power Corp.	San Gabriel, Batangas	550	Various permits obtained; On-going negotiations for financing arrangements with target completion in 4Q 2012; Discussion with OEM and EPC providers ongoing; discussion of target off-takers targeted for the first half of 2012	3rd Quarter 2015
Indicative	LNG-Fired Combined Cycle Power Plant	Meralco PowerGen Corporation	Atimonan, Quezon	1,750	On-going Feasibility Study; Acquisition of the parcels of the land in the target plant site is ongoing; Discussion of PSA with potential off-takers ongoing; On-going GIS by NGCP; Project cost Php 50B	2018
	<b>GEOHERMAL</b>			<b>140.00</b>		
<b>Committed</b>	<b>Maibarara Geothermal Power Project</b>	<b>Maibarara Geothermal, Inc.</b>	<b>Sto. Tomas, Batangas</b>	<b>20</b>	<b>Obtained Geothermal Service Contract with DOE; ECC obtained in August 2010; BOI Registration obtained in January 2011; Selected IEE Corp &amp; Fuji Electric as main and subcontractors for the power plant EPC; Secured project financing with RCBC and BPI Capital; GIS from NGCP completed in March 2011; Certificate of Confirmation of Commerciality from DOE obtained. Construction of steamfield and power plant facilities ongoing; Development drilling ongoing.</b>	<b>October 2013</b>
Indicative	Tanawon Geothermal Project	Energy Development Corporation	Bacman Geothermal Field, Sorsogon	40	ECC certificate ongoing; LGU endorsement obtained; Water rights secured; turnkey contract for bidding	September 2015
Indicative	Rangas Geothermal	Energy Development Corporation	Bacman Geothermal	40	ECC certificate ongoing; LGU endorsement obtained;	September 2015

May 2012 - October 2012

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	Project		Field, Sorsogon		Water rights secured; Turnkey contract for bidding	
Indicative	Manito-Kayabon Geothermal Project	Energy Development Corporation	Bacman Geothermal Field, Sorsogon	40	ECC certificate obtained; LGU endorsement obtained; Water rights secured;	March 2017
	<b>HYDROPOWER</b>			<b>150.00</b>		
Indicative	Kanan Hydro Power Project	Kanan Hydro Electric Power Corp.	Gen. Nakar, Quezon Province	150	Fully complied with RE requirements; awaiting RE contract signing	December 2020
	<b>WIND</b>			<b>459.50</b>		
<b>Committed</b>	<b>Pililla Wind Power Project</b>	<b>Alternergy Wind One Corporation</b>	<b>Pililla, Rizal</b>	<b>67.5</b>	<b>AWOC to finance the implementation of the project with 100% equity; Interconnection Agreement with MERALCO last 1 March 2012; EPC and O&amp;M Contract with consortium of Nordex SE and McConnell Donnell last 11 July 2012; Project Finance Term Sheet with BDO Unibank, Inc last 27 July 2012; Final review of GIS by NGCP last 31 July 2012</b>	<b>December 2014 (Subject to FIT)</b>
Indicative	Pasuquin East Wind Energy Project Phase One	Energy Logistics Philippines, Inc.	Pasuquin, Ilocos Norte	48	ECC secured 15 June 2010; GIS secured Dec. 2010; Equity Investors commitment secured; Selected Preferred EPC Turn-key Tenderer for both the wind energy farm and the connection assets	June 2013 (Subject to FIT)
Indicative	Burgos Wind Power Project	Energy Development Corporation	Nagsurot-Saoit, Burgos, Ilocos Norte	86	DOE Service contracts obtained; Civil Aviation Authority clearance obtained; DENR-ECC obtained; LGU endorsement obtained	December 2013 (Subject to FIT)
Indicative	Mabitac Wind Power Project	Alternergy Sembrano Wind Corporation	Mabitac, Rizal	56	On-going securing necessary permits, applied for conversion from pre-development stage to development/commercial stage.	2015

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Indicative	Pasuquin East Wind Energy Project Phase Two	Energy Logistics Philippines, Inc.	Pasuquin, Ilocos Norte	72	ECC secured 15 June 2010; GIS secured Dec. 2010; Equity Investors commitment secured; Selected Preferred EPC Turn-key Tenderer for both the wind energy farm and the connection assets	February 2014 (Subject to FIT)
Indicative	Cavinti Wind Farm Project	Alternergy Cavinti Wind Corporation	Cavinti, Laguna	50	On-going securing necessary permits, applied for conversion from pre-development stage to development/commercial stage.	2016
Indicative	80 MW Caparispisan and Balaoi Wind Energy Project	Northern Luzon UPC Asia Corporation	Brgys. Caparispisan and Balaoi, Municipality of Pagudpud, Province of Ilocos Norte	80	SEC Registration Certificate obtained May 31, 2006; ECC obtained 23 July 2009; Wind Energy Service Contract (WESC) for Caparispisan secured from DOE last 14 September 2009 and Balaoi last 01 February 2010 ; BOI secured 23 June 2011; NGCP Connection obtained 04 January 2011; A 25-year Forest Land Use Agreements (FLAg) was secured from the DENR last 20 May 2009; Submitted Declaration of Commerciality (DOC) to DOE; On-going negotiation with financial institutions; Construction will commence at financial close and is scheduled to take 18 months; Project cost is \$250M	Q1 2014
	<b>BIOMASS</b>			<b>57.50</b>		
<b>Committed</b>	<b>1.2 MW Payatas Landfill Methane Recovery and Power Generation Facility</b>	<b>Pangea Green Energy</b>	<b>Quezon City</b>	<b>1.2</b>	<b>On-going construction</b>	<b>December 2012</b>
<b>Committed</b>	<b>Green Future Biomass Project</b>	<b>Green Future Innovations Inc.</b>	<b>Isabela</b>	<b>13</b>	<b>Construction started October 2010; Php4.3B loan from Banco de Oro already approved; permits and other requirements obtained;</b>	<b>January 2013</b>

May 2012 - October 2012



Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					Certificate of Endorsement for ERC obtained; on-going pre-commissioning	
Committed	9.9 MWe (net) SJCiPower Rice Husk-Fired Biomass power Plant Project	San Jose City I Power Corporation	Brgy. Tulat, San Jose, Nueva Ecija	11	Various permits obtained; Financially Closed; Signed EPC with Engcon of Singapore; Launching and groundbreaking on 12 October 2012	December 2014
Indicative	Unisan Biogas Project	Unisan Biogen Corporation	Quezon Province	11.2	LGU permits obtained; BOI certification obtained; EPC contract with Areva Bioenergy India; awaiting financial closure	Phase I (2 MW)December 2013 Phase II (9.2 MW)December 2015
Indicative	Lucky PPH Biomass project	Lucky PPH International	Isabela	3.6	Various permits obtained; awaiting loan approval from Land Bank; awaiting PSA approval with ISELCO	December 2013
Indicative	17.5 MW Nueva Ecija Biomass Power Project	Green Power Nueva Ecija Philippines, Inc.	Brgy. Tambo-Tabuating, San Leonardo, Nueva Ecija	17.5	Various permits issued, MOA on the Establishment of Trust Account Obtained; ECC issued, Biomass Supply Contract obtained	December 2014

**Total Rated Capacity**      7,688.00  
**Total Committed Rated Capacity**      868.70  
**Total Indicative Rated Capacity**      6,819.30

## \* Committed Project(s)

COAL  
 DIESEL / OIL  
 NATURAL GAS  
 GEOTHERMAL  
 HYDROPOWER  
 WIND  
 BIOMASS



May 2012 - October 2012

## Annex 12. Private Sector Initiated Power Projects (Visayas) as of June 2012

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	<b>COAL</b>			<b>454.00</b>		
<b>Committed</b>	<b>2 x 100 MW Concepcion Coal-fired power plant</b>	<b>Palm Thermal Consolidated Holdings Corp. (Formerly DMCI Concepcion Power Corp.)</b>	<b>Brgy. Nipa, Concepcion, Iloilo</b>	<b>270</b>	<b>Acquired land on Nov. 2010; permits and other requirements obtained; Secured Letter of Intent from from CEBECO, PECO and ILECO 111; EPC Contractor expected by December 2012; appointed SNC-Lavalin, Inc. as the Owner's Engineer; secured clearance from DOE for the conduct of GIS, Signed Formal Coal Offer of Semirara dated 16 July 2012; awaiting for the release of final GIS by NGCP; on-going negotiations for the Connection Agreement, Transaction Services Agreement and other commercial and legal agreements with NGCP; negotiations with DUs/ECs are underway for the review of the proposed Power Supply Contract offered by PCPC; System Impact Study (SIS) received from NGCP last 17 July</b>	<b>1st Unit - 3rd Qtr. 2014 2nd Unit - Nov. 2016</b>

May 2012 - October 2012

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					2012; financial close by September 2012, BDO Capital's due diligence is now underway before the signing of Mandate Letter	
Indicative	1 X 20 MW FDC Danao CFB Coal Power Plant	FDC Utilities, Inc.(FDCUI)	Danao City, Cebu	20	Grid Impact Studies completed; On-going securing of regulatory requirements; Other required permits and endorsement to be secured upon completion of pre-con activities; Financial close targeted on December 2012	Q4 2015
Indicative	TPC Coal-Fired Power Plant Expansion Project (1 x 82 MW Coal-Fired Power Plant	Toledo Power Company (CEDC)	Toledo City, Cebu	82	Securing necessary permits; secured clearance from DOE for the conduct of GIS.	2015
Indicative	PEDC Expansion Project (1 X 82 MW Coal-Fired Power Plant)	Panay Energy Development Corporation	Brgy. Ingore, La Paz, Iloilo	82	Securing necessary permits; secured clearance from DOE for the conduct of GIS.	2015
	<b>GEOTHERMAL</b>			<b>100.00</b>		
<b>Committed</b>	<b>Nasulo Geothermal</b>	<b>Energy Development Corporation</b>	<b>Nasuji, Valencia, Negros Oriental</b>	<b>20</b>	<b>Obtaining necessary permits and requirements; Turnkey contracts for bidding; Certificate of Confirmation of Commerciality for the Secretary's</b>	<b>December 2013</b>

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					<b>consideration.</b>	
Indicative	Dauin Geothermal	Energy Development Corporation	Dauin, Negros Oriental	40	On-going feasibility studies; LGU endorsement obtained; water rights obtained	2017
Indicative	Southern Leyte Geothermal Project (formerly Cabalian Geothermal Project)	Energy Development Corporation	Southern Leyte	40	ECC obtained; LGU Endorsement obtained;	2019
	<b>HYDROPOWER</b>			<b>16.00</b>		
<b>Committed</b>	<b>Villasiga HEP</b>	<b>Sunwest Water &amp; Electric Co., Inc.</b>	<b>Sibalom, Antique</b>	<b>8</b>	<b>Various permits obtained (LGU Endorsement, Water Permit, Reconnaissance Permit, ECC, BOI and DOE Hydropower Service Contract); Financing from Land Bank of the Philippines</b>	<b>December 2012</b>
<b>Committed</b>	<b>Cantakoy Hydroelectric Power Project</b>	<b>Quadriver Energy Corporation</b>	<b>Brgy. Cabatuan, Danao, Bohol</b>	<b>8</b>	<b>SEC secured on 5 April 2011; ECC acquired August 19,2009, 1st amendment Sept. 22,2011, 2nd amendment June 4,2012; Project awarded to Sta. Clara International Corporation (SCIC) as EPC Contractor; Project cost Php1.3B; Financed by proponent; Finacial closure on December 2011</b>	<b>Q4 2014</b>
	<b>WIND</b>			<b>104.00</b>		
Indicative	Nabas Wind Power	Petrogreen Energy	Brgy. Pawa, Nabas,	50	Feasibility study final report submitted August 2012; On-	2013

May 2012 - October 2012

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	Project	Corporation	Aklan		going negotiation with land acquisition; ECC last 04 June 2012; EPC with EEI Corp. secured 31 July 2012; secured Grid Impact Study final report from NGCP on 01 October 2012; Project cost \$121.98M	
Indicative	54 MW San Lorenzo Wind Power Project (8 MW & 46 MW)	Trans-Asia Oil and Energy Development Corporation	San Lorenzo, Guimaras Island	54	Securing various LGU permit; obtained DENR land classification in Feb. 2010; obtained ECC permit for the wind farm in Feb. 2010; secured NCIP Non-overlap Certificate in July 2010; secured Grid Impact Study draft report from NGCP in Dec. 2010; submitted Declaration of Commerciality (DOC) to REMB in March 2011 & additional documents to support the said DOC in January 2012	January 2014
	<b>BIOMASS</b>			<b>99.00</b>		
<b>Committed</b>	<b>Asian Energy System Biomass Project</b>	<b>Asian Energy System Corporation</b>	<b>Cebu</b>	<b>4</b>	<b>Obtained necessary permits; Obtained ECC on February 2010; Loan approval from DBP granted on 25 May 2011; on-going construction</b>	<b>December 2015</b>

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Indicative	2 x 17.5 MW Green Power Panay	Green Power Panay Philippines, Inc.	Brgy. Cabalabaguan, Mina, Iloilo	35	Various permits obtained (ECC, NWRB, LGU, DAR, NCIP, etc.); Electricity Supply Agreement with Ileo I (3 MW) and Ileo II (7 MW); Biomass supply contract obtained; Certificate of Endorsement from DOE obtained on April 30, 2010; Signed Engineering, Procurement and Construction Contract with Poyry Energy, Inc.	Phase I - December 2014 Phase II - December 2015
Indicative	Asea One Biomass Project	Asea One Power Corporation	Banga, Aklan	12	Obtaining necessary permits; Signed PSA with AKELCO; on-going negotiation for financing and EPC contractor	December 2014
Indicative	Asea One Biomass Project	Asea One Power Corporation	Ajuy, Iloilo	30	Obtained necessary permits; signed PSA with ILECO; awaiting financial closure	December 2014
Indicative	18 MW San Carlos Biomass Project	San Carlos BioPower Inc.	San Carlos City, Negros Occidental	18	Various permits obtained; SEC secured 29 July 2009; ECC secured 28 June 2011; GIS completed 4 June 2012; EPC signed 10 Aug. 2012; Commencement of construction on Dec. 2012; Currently securing Financing from local and international banks; Project cost \$3.5B	June 2014

**Total Rated Capacity**                      **773.00**

**Total Committed Rated Capacity**                      **310.00**

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
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Total Indicative Rated Capacity

463.00

\* Committed Project(s)

- COAL
- GEOHERMAL
- HYDROPOWER
- WIND
- BIOMASS



## Annex 13. Private Sector Initiated Power Projects (Mindanao) as of November 2012

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	COAL			920.00		
Committed	2 X 100 MW Southern Mindanao Coal Fired Power Station	Sarangani Energy Corporation (formerly Conal Holdings Corp.)	Maasim, Sarangani	200	Various permits obtained; BDO, DBP, RCBC and UCPB have obtained their respective pre-clearances to enter into the transaction; Power Sales Agreement for 70MW between Sarangani Energy Corporation and South Cotabato II Electric Cooperative, Inc (SOCOTECO II) was executed on June 3, 2011; Issuance of Notice to Proceed to the EPC Contractor is scheduled on March 2012; Project cost \$ 450 Million; Testing and commissioning will commence 29 months after Notice to Proceed; Commercial operation will commence 35 months after issuance of Limited Notice to Proceed.	2014



Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Committed	2 X 150 MW Coal-Fired Therma South Energy Project	Therma South Inc.(Aboitiz Power Corporation)	Brgy. Binugao, Toril, Davao City and Brgy. Inawayan, Sta. Cruz, Davao Del Sur	300	Project cost Php24B; Secured right to land; Secured permits for site development works; Self-funded with on-going negotiation with financial institutions; various permits obtained; EPC contract awarded to Black and Veatch on June 2012; Secured SEC, BIR, BOC, BOI, ECC permits; LGU/Sangguniang Panlalawigan Davao City Reclassification already granted and issued on 12 Dec. 2011; On-going site preparation works; Site development works by 3rd Qtr. of 2012; Target commercial operation is Q1 2015	Q2 2014
Indicative	Steag Expansion Project	Steag State Power Corp.	Phividec, Misamis Oriental	200	On-going feasibility study; on-going discussions with NPC/PSALM regarding the common facilities	December 2014
Indicative	ZAM 100 MW Circulating Fluidized Bed (CFB) Coal-Fired Power Station	San Ramon Power Inc.	San Ramon, Zamboanga City	100	On-going securing permits; DENR had issued ECC in April 2012; on-going marketing.	Q3 2015

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Indicative	Davao del Norte 20 MW Circulating Fluidized Bed Biomass-Coal Fired Thermal Power Plant	FDC Utilities, Inc.(FDCUI)	Maco, Davao del Norte	20	Awaiting approval of sale from ERC on proposed plant connection at DANECO 69/13.2kV Canocotan Substation; On-going of securing of permits; Project cost is Php4.8B	Q1 2015
Indicative	Sibuguey Power Plant Project	Philippine National Oil Company (PNOC-EC)	Sibugay, Zamboanga	100	Technical and economic feasibility study was completed in July 2011; Ongoing bid precessing for the EIS consultancy leading to ECC application and other permits;	2016
	<b>OIL</b>			<b>57.50</b>		
<b>Committed</b>	<b>2 X 13.75 MW Bunker Fired Power Plant</b>	<b>Mindanao Energy Systems, Inc.</b>	<b>Tablon, Cagayan de Oro</b>	<b>27.5</b>	<b>Project commissioned on March 2012</b>	<b>Operational</b>
<b>Committed</b>	<b>15 MW Diesel Power Plant</b>	<b>Mapalad Energy Generating Corporation (MEGC)</b>	<b>Mapalad, Dalipuga, Iligan City</b>	<b>15</b>	<b>SEC issued last 24 February 2011, ECC issued last 8 November 2011; PSA with Iligan Light &amp; Power, Inc. (ILPI) for a 15-year supply contract dated 9 May 2011; Project cost PhP 379 Million; Financing by Bank of the Philippine Islands (BPI) and Cagayan de Oro Lending Center</b>	<b>August 2012</b>
<b>Committed</b>	<b>15 MW HFO Peaking Plant</b>	<b>EEl Power Corporation</b>	<b>Brgy. Magdum, Tagum City, Davao Del Norte</b>	<b>15</b>	<b>PSA with Davao del Norte Electric Cooperative, Inc. (DANECO) signed on 28, January 2012; financing</b>	<b>4th Quarter 2012</b>

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					already secured, to be sourced from internal cash generation of EEI Power Corp.; Equipment Supply Contract secured	
	<b>GEOHERMAL</b>			<b>50.00</b>		
<b>Committed</b>	<b>Mindanao 3 Geothermal</b>	<b>Energy Development Corporation</b>	<b>Kidapawan, North Cotabato</b>	<b>50</b>	<b>Ongoing resource assessment; DENR ECC obtained; Land use permits obtained</b>	<b>September 2014</b>
	<b>HYDROPOWER</b>			<b>40.00</b>		
<b>Committed</b>	<b>2 X 4 MW Cabulig Mini-Hydro Power Plant</b>	<b>Mindanao Energy Systems, Inc.</b>	<b>Plaridel, Jasaan, Misamis Oriental</b>	<b>8</b>	<b>Project commissioning and commercial operation on 24 September 2012 but was interrupted last 03 October to complete remaining works. Will continue operation by 2nd week of November 2012 ; Project cost Php814M</b>	<b>Operational</b>
Indicative	Tagoloan Hydropower	Mindanao Hydro Power Corp.	Bukidnon	20	Completed feasibility study	December 2016
Indicative	12 MW Tamugan Hydropower Project	Hedcor	Baguio District, Davao City	12	Permits/government requirements already obtained: Certificate of Endorsement from DOE, GIS by NGCP, registered as Pioneering project from BOI	July 2018
	<b>SOLAR</b>			<b>35.00</b>		
Indicative	Darong Solar Photovoltaic Power Project	PhilNew Energy Inc.	Sta. Cruz, Davao del Sur	35	Awarded with the Solar Energy Service Contract (SESC No. 2011-12-007) on 16 December 2011; Submitted the Declaration of Commerciality (DOC) on	September 2015 (Subject to FIT)

May 2012 - October 2012

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					September 2011	
	<b>WIND</b>			<b>5.00</b>		
Indicative	5 MW Camiguin Island Wind Power	Energy Development Corporation	Camiguin	5	Issued service contract; on going negotiations with lot owners	September 2015 (subject to FIT approval)
	<b>BIOMASS</b>			<b>35.00</b>		
Indicative	Bukidnon Biomass Power Project	Green Power Bukidnon Philippines, Inc.	Maramag, Bukidnon	35	Permits and other requirements obtained; selection process is on-going among local banks; letter of intent executed on March 24, 2009 with Poyry Energy, Inc. as EPC contractor	September 2013

**Total Rated Capacity 1,142.50**

**Total Committed Rated Capacity 615.50**

**Total Indicative Rated Capacity 527.00**

**\* Committed Project(s)**

COAL  
OIL  
GEOTHERMAL  
HYDROPOWER  
WIND  
BIOMASS  
SOLAR



## Annex 14. ERC Approved Capital Expenditure Projects as of November 2012

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
Palawan Electric Cooperative, Inc. (PALECO)	<b>Projects for 2011</b>				
	Relocation of Distribution Lines of Feeder 2	Relocation of existing distribution lines to be affected by the road widening project of the local government in the city proper	<ul style="list-style-type: none"> <li>The project is to relocate existing distribution lines along Malvar Street in Puerto Princesa City to be affected by the road widening project of the Department of Public Works and Highways (DPWH). A circuit length of approximately six (6) kilometers is affected by the development project for the widening of major thoroughfares in Puerto Princesa</li> </ul>	5,491,453.60	April 25, 2011/ May 22, 2012
	Replacement of Defective Kilowatt-hour (kWh) Meters	Replacement of aged, inaccurate, and static kWh meters	<ul style="list-style-type: none"> <li>The project aims to replace existing meters which are damaged, non-sensing and registering inaccurate reading. A total of 17,000 electric meters will be replaced within the six (6) year period.</li> </ul>	2,788,651.16	
	Installation of Additional Sectionalizing and Protection Equipment Devices	Purchase and installation of line sectionalizing and protection equipment such as circuit reclosers, auto sectionalizers, line fault indicator and air break switches	<ul style="list-style-type: none"> <li>The proposed expenditure is for line detection and fault detection and clearing, remote sensing and monitoring and line closing to minimize power interruptions</li> </ul>	7,900,000.00	
Procurement and Installation of a Supervisory Control and Data Acquisition (SCADA) System	Procurement and installation of a SCADA system for the proposed PALECO main (30 MVA) and Barangay Salvacion (5MVA) substations	<ul style="list-style-type: none"> <li>The proposed expenditures aim to increase operations efficiency through system automation and centralized data gathering and</li> </ul>	4,106,666.66		

May 2012 - October 2012

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
			monitoring of power distribution system		
	Procurement of kWh Meters and Accessories	Procurement and installation of kWh meters	<ul style="list-style-type: none"> <li>The purchase and installation of kWh meters and accessories is for the provision of electrical connection of new customers and registration of corresponding power consumption</li> </ul>	7,812,795.16	
	Procurement and Installation of Distribution Transformers (DTs)	Purchase and installation of pole mounted DTs	<ul style="list-style-type: none"> <li>The project is to purchase new pole mounted transformers of various capacities to address consumer load growth. A total of four hundred and thirty eight (438) units of pole mounted DTs of various kVA ratings will be procured for the next six (6) years</li> </ul>	6,495,228.66	
	Construction of Secondary Distribution Lines	Purchase and installation of #2/0 and #4/0 Aluminum Concrete Steel Reinforced (ACSR) conductors having a combined length of 81 km. and associated line hardware for secondary distribution lines expansion	<ul style="list-style-type: none"> <li>The proposed expenditure aim to address load growth</li> </ul>	4,818,676.00	
	Acquisition of Vehicles	Purchase of vehicles for the operations and maintenance particularly service vehicles, motorcycles and utility truck, forklift, and boom truck	<ul style="list-style-type: none"> <li>The said expenditure aims to improve employees' mobility and response time in doing assigned tasks</li> </ul>	7,650,000.00	
	Acquisition of Lineman's Tool and Equipment	Acquisition of linemen's tool and safety devices/equipment and gadgets for routine and maintenance works	<ul style="list-style-type: none"> <li>The proposed expenditure aims to increase efficiency, assure safety and will enable the linemen to do maintenance/repair works on even energized line to minimize power interruption in the affected area</li> </ul>	727,648.50	
	Acquisition of Testing	Purchase of equipment for testing and calibrating	<ul style="list-style-type: none"> <li>The proposed expenditure</li> </ul>	695,108.00	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
	Equipment	single and three (3) phase meters	aim to test the level of accuracy of demand monitoring/registration of billing meters. In addition, equipment such as high-pot tester, power quality analyzer and digital multi-meters will be procured for testing various electrical parameter		
	Acquisition of Information Technology (IT) Software	Acquisition of IT software for Electronic Billing System (EBS), accounting and payroll, kWh meter reading devices and computer desktop and laptop and accessories	<ul style="list-style-type: none"> <li>Improvement for the accurate recording of consumer electricity consumption, efficiency in operation through system automation</li> </ul>	124,836.00	
	Acquisition of Electrical Supplies and Materials	Purchase of various line hardware and electrical supplies and materials for distribution system operations and maintenance and stocks inventory	<ul style="list-style-type: none"> <li>The purchase of said materials and supplies is to ensure the availability of stocks to sustain distribution system operation and immediate restoration of electricity</li> </ul>	19,529,632.16	
<b>Projects for 2012</b>					
	Construction of One (1) 30 MVA Substation	Construction of one (1) 30 MVA substation at Barangay Tiniguiban, Puerto Princesa City (PALECO Main Office)	<ul style="list-style-type: none"> <li>The installation of the proposed substations is to provide reliable and efficient power supply particularly in the City of Puerto Princesa and nearby areas</li> </ul>	97,826,720.00	
	Construction of One (1) 20 MVA Substation	Construction of one (1) 20 MVA substation at Puerto Princesa City proper	<ul style="list-style-type: none"> <li>The installation of the proposed substations is to provide reliable and efficient power supply particularly in the City of Puerto Princesa and nearby areas</li> </ul>	105,543,757.40	
	Splitting of the Three (3) Phase Iwahig Circuit	Splitting of the three (3) phase Iwahig circuit in Puerto Princesa	<ul style="list-style-type: none"> <li>The project aims to provide additional load carrying capacity and address the line capacity constraints to</li> </ul>	3,445,845.04	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
			accommodate load growth		
	Replacement of Defective kWh Meters	Replacement of aged, inaccurate and static kWh meters	<ul style="list-style-type: none"> <li>The project aims to replace existing meters which are damaged, non-sensing and registering inaccurate readings. A total of 17,000 electric meters will be replaced within the six (6) year period</li> </ul>	2,788,651.16	
	Installation of Additional Sectionalizing and Protection Equipment Devices	Purchase and installation of line sectionalizing and protection equipment such as circuit reclosers, auto sectionalizers, line fault indicator and air break switches	<ul style="list-style-type: none"> <li>The proposed expenditure is for line protection and fault detection and clearing, remote sensing and monitoring and line closing to minimize power interruptions</li> </ul>	7,900,000.00	
	Procurement and Installation of a Supervisory Control and Data Acquisition (SCADA) System	Procurement and installation of a SCADA system for the proposed PALECO main (30 MVA), downtown (20 MVA) and Barangay Salvacion (5MVA) substations	<ul style="list-style-type: none"> <li>The proposed expenditures aim to increase operations efficiency through system automation and centralized data gathering and monitoring of power distribution system</li> </ul>	4,106,666.66	
	Procurement of kWh Meters and Accessories	Procurement and installation of kWh meters	<ul style="list-style-type: none"> <li>The purchase and installation of kWh meters and accessories is for the provision of electrical connection of new customers and registration of corresponding power consumption</li> </ul>	7,812,795.16	



APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
	Procurement and Installation of Distribution Transformers (DTs)	Purchase and installation of pole mounted DTs	<ul style="list-style-type: none"> <li>The project is to purchase new pole mounted transformers of various capacities to address consumer load growth. A total of four hundred thirty eight (438) units of pole mounted DTs of various kVA ratings will be procured for the next six (6) years</li> </ul>	6,495,228.66	
	Construction of Secondary Distribution Lines	Purchase and installation of #2/0 and #4/0 Aluminum Concrete Steel Reinforced (ACSR) conductors having a combined length of 81 km. and associated line hardware for secondary distribution lines expansion	<ul style="list-style-type: none"> <li>The proposed expenditure aim to address load growth</li> </ul>	4,818,676.00	
	Acquisition of Vehicles	Purchase of vehicles for the operations and maintenance particularly service vehicles, motorcycles and utility truck, forklift, and boom truck	<ul style="list-style-type: none"> <li>The said expenditure aims to improve employees' mobility and response time in doing assigned tasks</li> </ul>	12,550,000.00	
	Acquisition of Lineman's Tool and Equipment	Acquisition of linemen's tool and safety devices/equipment and gadgets for routine and maintenance works	<ul style="list-style-type: none"> <li>The proposed expenditure aims to increase efficiency, assure safety and will enable the linemen to do maintenance/repair works on even energized lines to minimize power interruption in the affected area</li> </ul>	727,648.50	
	Acquisition of Testing Equipment	Purchase of equipment for testing and calibrating single and three (3) phase meters	<ul style="list-style-type: none"> <li>The proposed expenditure aim to test the level of accuracy of demand monitoring/registration of billing meters. In addition, equipment such as high-pot tester, power quality analyzer and digital multi-meters will be procured for testing various electrical parameters</li> </ul>	1,048,924.00	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
	Acquisition of Information Technology (IT) Software	Acquisition of IT software for Electronic Billing System (EBS) , accounting and payroll, kWh meter reading devices and computer desktop and laptop and accessories	<ul style="list-style-type: none"> <li>Improvement for the accurate recording of consumer electricity consumption, efficiency in operation through system automation</li> </ul>	4,624,836.00	
	Acquisition of Electrical Supplies and Materials	Purchase of various line hardware and electrical supplies and materials for distribution system operations and maintenance and stocks inventory	<ul style="list-style-type: none"> <li>The purchase of said materials and supplies is to ensure the availability of stocks to sustain distribution system operation and immediate restoration of electricity</li> </ul>	19,529,632.16	
	Acquisition of Parcel of Land (Lot)	Acquisition of a parcel of land on which will be constructed an office building	<ul style="list-style-type: none"> <li>Improvement in operation efficiency</li> </ul>	1,000,000.00	
<b>Projects for 2013</b>					
	Construction of One (1) 5 MVA Substation	Construction of one (1) 5 MVA substation at Barangay Salvacion, Puerto Princesa City	<ul style="list-style-type: none"> <li>Improvement of its distribution system's reliability</li> </ul>	47,276,720.00	
	Replacement of Defective kWh Meters	Replacement of aged, inaccurate and static kWh meters	<ul style="list-style-type: none"> <li>The project aims to replace existing meters which are damaged, non-sensing and registering inaccurate readings. A total of 17,000 electric meters will be replaced within the six (6) year period</li> </ul>	2,788,651.16	
	Installation of Additional Sectionalizing and Protection Equipment Devices	Purchase and installation of line sectionalizing and protection equipment such as circuit reclosers, auto sectionalizers, line fault indicator and air break switches	<ul style="list-style-type: none"> <li>The proposed expenditure is for line protection and fault detection and clearing, remote sensing and monitoring and line closing to minimize power interruptions</li> </ul>	7,900,000.00	
	Procurement and Installation of a Supervisory Control and Data Acquisition (SCADA) System	Procurement and installation of a SCADA system for the proposed PALECO main (30 MVA), downtown (20 MVA) and Barangay Salvacion (5MVA) substations	<ul style="list-style-type: none"> <li>The proposed expenditures aim to increase operations efficiency through system automation and centralized data gathering and</li> </ul>	4,106,666.66	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
			monitoring power distribution system		
	Procurement of kWh Meters and Accessories	Procurement and installation of kWh meters	<ul style="list-style-type: none"> <li>The purchase and installation of kWh meters and accessories is for the provision of electrical connection of new customers and registration of corresponding power consumption</li> </ul>	7,812,795.16	
	Procurement and Installation of Distribution Transformers (DTs)	Purchase and installation of pole mounted DTs	<ul style="list-style-type: none"> <li>The project is to purchase new pole mounted transformers of various capacities to address consumer load growth. A total of four hundred thirty eight (438) units of pole mounted DTs of various kVA ratings will be procured for the next six (6) years</li> </ul>	6,495,228.66	
	Construction of Secondary Distribution Lines	Purchase and installation of #2/0 and #4/0 Aluminum Concrete Steel Reinforced (ACSR) conductors having a combined length of 81 km. and associated line hardware for secondary distribution lines expansion	<ul style="list-style-type: none"> <li>The proposed expenditure aim to address load growth</li> </ul>	4,818,676.00	
	Acquisition of Vehicles	Purchase of vehicles for the operations and maintenance particularly service vehicles, motorcycles and utility truck, forklift, and boom truck	<ul style="list-style-type: none"> <li>The said expenditure aims to improve employees' mobility and response time in doing assigned tasks</li> </ul>	2,400,000.00	
	Acquisition of Lineman's Tool and Equipment	Acquisition of linemen's tools and safety devices/equipment and gadgets for routine and maintenance works	<ul style="list-style-type: none"> <li>The proposed expenditure aims to increase efficiency, assure safety and will enable linemen to do maintenance/repair works on even energized lines to minimize power interruption in the affected area</li> </ul>	727,648.50	
	Acquisition of Electrical	Purchase of various line hardware and electrical	<ul style="list-style-type: none"> <li>The purchase of said</li> </ul>	19,529,632.16	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
	Supplies and Materials	supplies for distribution system operations and maintenance and stocks inventory	materials and supplies is to ensure the availability of stocks to sustain distribution system operation and immediate restoration of electricity.		
	Structure and Improvement of Facilities	Expenditure for the refurbishment and improvement of general headquarters building and facilities	<ul style="list-style-type: none"> <li>The proposed expenditures aim to refurbish the existing office and facilities of the applicant. The total floor area considered in the refurbishment project is nine hundred twenty four (924) square meters which comprise of one (1) 2-storey and one (1) single storey office buildings estimated at PhP25,000/sq.m.</li> </ul>	15,400,000.00	
<b>Projects for 2014</b>					
	Replacement of Defective kWh Meters	Replacement of aged, inaccurate and static kWh meters	<ul style="list-style-type: none"> <li>The project aims to replace existing meters which are damaged, non-sensing and registering inaccurate readings. A total of 17,000 electric meters will be replaced within six (6) years period</li> </ul>	2,788,651.16	
	Installation of Additional Sectionalizing and protection Equipment	Purchase and installation of line sectionalizing and protection equipment such as circuit reclosers, auto sectionalizers, line fault indicator and air break switches	<ul style="list-style-type: none"> <li>The proposed expenditure is for line protection and fault detection and clearing, remote sensing and monitoring and line closing to minimize power interruptions</li> </ul>	7,900,000.00	
	Procurement of kWh Meters and Accessories	Purchase and installation of kWh Meters and Accessories	<ul style="list-style-type: none"> <li>The purchase and installation of kWh meters and</li> </ul>	7,812,795.16	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
			accessories is for the provision of electrical connection of new customers and registration of corresponding power consumption		
	Procurement and Installation of Distribution Transformers (DTs)	Purchase and installation of pole mounted DTs	<ul style="list-style-type: none"> <li>The project is to purchase new pole mounted transformers of various capacities to address consumer load growth. A total of four hundred thirty eight (438) units of pole mounted DTs of various kVA ratings will be procured for the next six (6) years</li> </ul>	6,495,228.66	
	Construction of Secondary Distribution Lines	Purchase and installation of #2/0 and #4/0 Aluminum Concrete Steel Reinforced (ACSR) conductors having a combined length of 81 km. and associated line hardware for secondary distribution lines expansion	<ul style="list-style-type: none"> <li>The proposed expenditure aim to address load growth</li> </ul>	4,818,676.00	
	Acquisition of Vehicles	Purchase of vehicles for the operations and maintenance particularly service vehicles, motorcycles and utility truck, forklift, and boom truck	<ul style="list-style-type: none"> <li>The said expenditure aims to improve employees' mobility and response time in doing assigned tasks</li> </ul>	2,400,000.00	
	Acquisition of Lineman's Tool and Equipment	Acquisition of linemen's tools and safety devices/equipment and gadgets for routine and maintenance works	<ul style="list-style-type: none"> <li>The proposed expenditure aims to increase efficiency, assure safety and will enable linemen to do maintenance/repair works on even energized lines to minimize power interruption in the affected area</li> </ul>	727,648.50	
	Acquisition of Electrical Supplies and Materials	Purchase of various line hardware and electrical supplies for distribution system operations and maintenance and stocks inventory	<ul style="list-style-type: none"> <li>The purchase of said materials and supplies is to ensure the availability of stocks to sustain distribution system operation and</li> </ul>	19,529,632.16	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
			immediate restoration of electricity.		
<b>Projects for 2015</b>					
	Replacement of Defective kWh Meters	Replacement of aged, inaccurate and static kWh meters	<ul style="list-style-type: none"> <li>The project aims to replace existing meters which are damaged, non-sensing and registering inaccurate readings. A total of 17,000 electric meters will be replaced within six (6) years period</li> </ul>	2,788,651.16	
	Installation of Additional Sectionalizing and Protection Equipment	Purchase and installation of line sectionalizing and protection equipment such as circuit reclosers, auto sectionalizers, line fault indicator and air break switches	<ul style="list-style-type: none"> <li>The proposed expenditure is for line protection and fault detection and clearing, remote sensing and monitoring and line closing to minimize power interruptions</li> </ul>	7,900,000.00	
	Procurement of kWh Meters and Accessories	Purchase and installation of kWh Meters and Accessories	<ul style="list-style-type: none"> <li>The purchase and installation of kWh meters and accessories is for the provision of electrical connection of new customers and registration of corresponding power consumption</li> </ul>	7,812,795.16	
	Procurement and Installation of Distribution Transformers (DTs)	Purchase and installation of pole mounted DTs	<ul style="list-style-type: none"> <li>The project is to purchase new pole mounted transformers of various capacities to address consumer load growth. A total of four hundred thirty eight (438) units of pole mounted DTs of various kVA ratings will be procured for the next six (6) years</li> </ul>	6,495,228.66	
	Construction of Secondary Distribution Lines	Purchase and installation of #2/0 and #4/0 Aluminum Concrete Steel Reinforced (ACSR)	<ul style="list-style-type: none"> <li>The proposed expenditure aim to address load growth</li> </ul>	4,818,676.00	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
		conductors having a combined length of 81 km. and associated line hardware for secondary distribution lines expansion			
	Acquisition of Vehicles	Purchase of vehicles for the operations and maintenance particularly service vehicles, motorcycles and utility truck, forklift, and boom truck	<ul style="list-style-type: none"> <li>The said expenditure aims to improve employees' mobility and response time in doing assigned tasks.</li> </ul>	2,400,000.00	
	Acquisition of Lineman's Tool and Equipment	Acquisition of linemen's tools and safety devices/equipment and gadgets for routine and maintenance works	<ul style="list-style-type: none"> <li>The proposed expenditure aims to increase efficiency, assure safety and will enable linemen to do maintenance/repair works on even energized lines to minimize power interruption in the affected area</li> </ul>	727,648.50	
	Acquisition of Electrical Supplies and Materials	Purchase of various line hardware and electrical supplies for distribution system operations and maintenance and stocks inventory	<ul style="list-style-type: none"> <li>The purchase of said materials and supplies is to ensure the availability of stocks to sustain distribution system operation and immediate restoration of electricity.</li> </ul>	19,529,632.16	
	Structure and Improvement of Facilities	Expenditure for the refurbishment and improvement of general headquarters building and facilities	<ul style="list-style-type: none"> <li>The proposed expenditures aim to refurbish the existing office and facilities of the applicant. The total floor area considered in the refurbishment project is nine hundred twenty four (924) square meters which comprise of one (1) 2-storey and one (1) single storey office buildings estimated at PhP25,000/sq.m.</li> </ul>	7,700,000.00	
<b>Projects for 2016</b>					
	Replacement of Defective kWh Meters	Replacement of aged, inaccurate and static kWh meters	<ul style="list-style-type: none"> <li>The project aims to replace existing meters which are</li> </ul>	2,788,651.16	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
			damaged, non-sensing and registering inaccurate readings. A total of 17,000 electric meters will be replaced within six (6) years period		
	Installation of Additional Sectionalizing and Protection Equipment	Purchase and installation of line sectionalizing and protection equipment such as circuit reclosers, auto sectionalizers, line fault indicator and air break switches	<ul style="list-style-type: none"> <li>The proposed expenditure is for line protection and fault detection and clearing, remote sensing and monitoring and line closing to minimize power interruptions</li> </ul>	7,900,000.00	
	Procurement of kWh Meters and Accessories	Purchase and installation of kWh Meters and Accessories	<ul style="list-style-type: none"> <li>The purchase and installation of kWh meters and accessories is for the provision of electrical connection of new customers and registration of corresponding power consumption</li> </ul>	7,812,795.16	
	Procurement and Installation of Distribution Transformers (DTs)	Purchase and installation of pole mounted DTs	<ul style="list-style-type: none"> <li>The project is to purchase new pole mounted transformers of various capacities to address consumer load growth. A total of four hundred thirty eight (438) units of pole mounted DTs of various kVA ratings will be procured for the next six (6) years</li> </ul>	6,495,228.66	
	Construction of Secondary Distribution Lines	Purchase and installation of #2/0 and #4/0 Aluminum Concrete Steel Reinforced (ACSR) conductors having a combined length of 81 km. and associated line hardware for secondary distribution lines expansion	<ul style="list-style-type: none"> <li>The proposed expenditure aims to address load growth</li> </ul>	4,818,676.00	
	Acquisition of Vehicles	Purchase of vehicles for the operations and	<ul style="list-style-type: none"> <li>The said expenditure aims to</li> </ul>	2,400,000.00	



APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
		maintenance particularly service vehicles, motorcycles and utility truck, forklift, and boom truck	improve employees' mobility and response time in doing assigned tasks		
	Acquisition of Lineman's Tool and Equipment	Acquisition of linemen's tools and safety devices/equipment and gadgets for routine and maintenance works	<ul style="list-style-type: none"> <li>The proposed expenditure aims to increase efficiency, assure safety and will enable linemen to do maintenance/repair works on even energized lines to minimize power interruption in the affected area</li> </ul>	727,648.50	
	Acquisition of Electrical Supplies and Materials	Purchase of various line hardware and electrical supplies for distribution system operations and maintenance and stocks inventory	<ul style="list-style-type: none"> <li>The purchase of said materials and supplies is to ensure the availability of stocks to sustain distribution system operation and immediate restoration of electricity.</li> </ul>	19,529,632.16	
<b>Projects for 2010</b>					
<b>Negros Oriental I Electric Cooperative, Inc. (NORECO I)</b>	Transfer of 800 kW Industrial Load from Bais Substation	Transfer of the existing load of the Bais Substation to Bindoy Substation	<ul style="list-style-type: none"> <li>To unload the 5 MVA power transformer at Bais Substation since Bais City has the biggest energy consumption and highest growth rate in all districts</li> </ul>	0.00	December 30, 2010/ July 16, 2012
	Purchase of Conductors	Procurement of #2/0 ACSR, #2/0 insulated and duplex #6 conductors	<ul style="list-style-type: none"> <li>To address maintenance and upgrading of distribution lines to minimize losses and secondary line to ground fault</li> </ul>	608,462.00	
	Purchase of Power Generator	Acquisition of one (1) unit power generator with a rated capacity of 75 kVA	<ul style="list-style-type: none"> <li>To maintain office activities during power outages, particularly insufficient power supply problems</li> </ul>	650,000.00	
	Hydrological Study of Anulod River	Conduct of feasibility study and on-site inspection of the Anulod River in coordination with the local and provincial government	<ul style="list-style-type: none"> <li>To validate the volume of water from Anulod River for possible establishment of mini-hydro to help resolve</li> </ul>	240,000.00	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
			insufficient power supply		
	Purchase of Line Tools and Equipment	Purchase of hot lime materials such as grip-all clamp stick (shot gun) , climbers, climbers body belt, compression tools, double clock, hot stick, leg strap, L-pad, multimeter, ratchet chain, safety belts, etc. used in the maintenance of distribution lines	<ul style="list-style-type: none"> <li>To augment and replace dilapidated tools and equipment which limits the capability of the operation personnel to perform day to day functions</li> <li>To address safety among operation personnel</li> </ul>	827,316.00	
<b>Projects for 2011</b>					
	Acquisition of 69 kV Subtransmission Line	Acquisition of 92.5 kilometers of the National Transmission Corporation's (TRANSCO) subtransmission lines located within the franchise area of NORECO I	<ul style="list-style-type: none"> <li>To avoid constant payment of residual subtransmission charges and connection charges</li> </ul>	4,666,200.00	
	Right of Way Acquisition (Guihulngan Substation)	Acquisition of Right of Way (ROW) access to the Guihulngan Substation	<ul style="list-style-type: none"> <li>To address security of maintenance vehicles</li> <li>To give vehicles access to the substation during emergency cases</li> </ul>	160,000.00	
	Purchase of Distribution Transformers (DTs)	Purchase of 290 units of conventional, pole type distribution transformers	<ul style="list-style-type: none"> <li>To replace and augment overloaded, old and dilapidated distribution transformers in the entire coverage area of NORECO I as well as new installation as part of the cooperative transformer load management</li> </ul>	3,563,398.00	
	Replacement of Rotten Poles in the Entire Coverage Area	Acquisition of electrical poles (concrete, wood, and steel) of various sizes	<ul style="list-style-type: none"> <li>To address safety as well as reliability concerns</li> </ul>	2,201,794.00	
	Replacement of Defective kWh Meters in the Entire Coverage Area	Purchase of new kWh meters with the following specifications: single phase, 2w, CL 100, 240 volts, 60HZ 15A for new installation and replacement of old/dilapidated and defective kWh meters	<ul style="list-style-type: none"> <li>To reduce system loss</li> </ul>	3,810,240.00	
	Operation and Maintenance of 2010-2014 Rural Electrification Subsidy Projects	Operation and maintenance of newly constructed and energized lines	<ul style="list-style-type: none"> <li>To address efficiency of operation and maintenance of the continuing expansion of</li> </ul>	500,430.00	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPHP)	DATE FILED/ APPROVED
			lateral lines		
	Purchase of Engineering Software and Load Logger	Procurement of Electrical Engineering Software and Load Logger for technical evaluation and analysis of NORECO I's personnel	<ul style="list-style-type: none"> <li>To evaluate and analyze the system for possible correction and planning</li> </ul>	3,528,000.00	
	Upgrading of Office Communication System	Upgrading of office communication system (Trunk Lining/PABX Telephone System)	<ul style="list-style-type: none"> <li>To address efficiency and mobility of personnel to attend to calls and complaints received</li> </ul>	145,000.00	
	Automation of Payroll, Accounting and Warehousing	Acquisition of computer software	<ul style="list-style-type: none"> <li>To provide efficient and reliable payroll and accounting system</li> <li>To increase personnel efficiency for immediate response to customer service</li> </ul>	4,630,000.00	
	Purchase of Standard kWh Meter	Acquisition of one (1) unit portable kWh-meter standard to be used for testing and calibration of kWh-meters	<ul style="list-style-type: none"> <li>To comply with the Commission's requirement for meter shop accreditation</li> </ul>	1,500,000.00	
	Hydrological Study of Anulod River	Conduct of feasibility study and on-site inspection of the Anulod River in coordination with the local and provincial government	<ul style="list-style-type: none"> <li>To validate the volume of water from Anulod River for possible establishment of mini-hydro to help resolve insufficient power supply</li> </ul>	97,000.00	
	Purchase of Maintenance Vehicles	Purchase of three (3) units maintenance vehicles, one (1) unit boom truck and two (2) units boom	<ul style="list-style-type: none"> <li>To help in the operation and maintenance of the cooperative distribution line since existing maintenance vehicles are old and dilapidated</li> </ul>	2,320,000.00	
	Rehabilitation of Administrative Building and Power House	Renovation of the administration building and construction of a powerhouse	<ul style="list-style-type: none"> <li>To address safety and proper office arrangement for convenience and efficiency</li> </ul>	68,052.00	
	Purchase of Reclosers and Capacitors	Procurement of single phase reclosers and capacitors	<ul style="list-style-type: none"> <li>To address power quality problems on the primary distribution line and to increase reliability by minimizing temporary fault of the line</li> </ul>	1,021,555.00	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
	Purchase of Distribution Transformers (DTs)	Purchase of 290 units of conventional, pole type distribution transformers	<ul style="list-style-type: none"> <li>To replace and augment overloaded, old and dilapidated distribution transformers in the entire coverage area of NORECO I as well as new installation as part of the cooperative transformer load management</li> </ul>	3,563,398.00	
	Purchase of Conductors	Procurement of #2/0 ACSR, #2/0 insulated and duplex #6 conductors	<ul style="list-style-type: none"> <li>To address maintenance and upgrading of distribution lines to minimize losses and secondary line to ground fault</li> </ul>	1,216,925.00	
	Acquisition of 69 kV Subtransmission Line	Acquisition of 92.5 kilometers of the National Transmission Corporation's (TRANSCO) subtransmission lines located within the franchise area of NORECO I	<ul style="list-style-type: none"> <li>To avoid constant payment of residual subtransmission charges and connection charges</li> </ul>	4,666,200.00	
	Replacement of Rotten Poles in the Entire Coverage Area	Acquisition of electrical poles (concrete, wood, and steel) of various sizes	<ul style="list-style-type: none"> <li>To address safety as well as reliability concerns</li> </ul>	2,201,794.00	
	Replacement of Defective kWh Meters in the Entire Coverage Area	Purchase of new kWh meters with the following specifications: single phase, 2w, CL 100, 240 volts, 60HZ 15 A for new installation and replacement of old/dilapidated and defective kWh meters	<ul style="list-style-type: none"> <li>To reduce meter loss</li> </ul>	3,810,240.00	
	Operation and Maintenance of 2010-2014 Rural Electrification Subsidy Projects	Operation and maintenance of newly constructed and energized lines	<ul style="list-style-type: none"> <li>To address efficiency of operation and maintenance of the continuing expansion of lateral lines</li> </ul>	342,378.00	
	Purchase of Line Tools and Equipment	Purchase of hot lime materials such as grip-all clamp stick (shot gun), climbers body belt, compression tools, double clock, hot stick, leg strap, L-pad, multitester, ratchet chain, safety belts, etc. used in the maintenance of distribution lines	<ul style="list-style-type: none"> <li>To augment and replace dilapidated tools and equipment which limits the capability of the operation personnel to perform day to day functions</li> <li>To address safety among operation personnel</li> </ul>	1,654,632.00	
	Rehabilitation of Administrative	Renovation of the administrative building and	<ul style="list-style-type: none"> <li>To address safety and proper</li> </ul>	2,088,000.00	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
	Building and Power House	construction of a powerhouse	office arrangement for convenience and efficiency		
	Purchase and Installation of Power Circuit Breaker (PCB) for Bais and Guihulngan Substation	Procurement and acquisition of 69 kV protective devices/equipment (SF6 Circuit Breakers) necessary for Bais and Guihulngan Substation to replace the existing power fuses	<ul style="list-style-type: none"> <li>To comply with the protection requirement of the Grid Code in coordination with the National Grid Corporation of the Philippines (NGCP)</li> </ul>	6,302,080.00	
	Purchase of Distribution Transformers (DTs)	Purchase of 290 units of conventional, pole type distribution transformers	<ul style="list-style-type: none"> <li>To replace and augment overloaded, old and dilapidated distribution transformers in the entire coverage area of NORECO I as well as new installation as part of the cooperative transformer load management</li> </ul>	3,563,398.00	
	Purchase of Conductors	Procurement of #2/0 ACSR, #2/0 insulated and duplex #6 conductors	<ul style="list-style-type: none"> <li>To address maintenance and upgrading of distribution lines to minimize losses and secondary line to ground fault</li> </ul>	608,462.00	
	Acquisition of 69 kV Subtransmission Line	Acquisition of 92.5 kilometers of the National Transmission Corporation's (TRANSCO) subtransmission lines located within the franchise area of NORECO I	<ul style="list-style-type: none"> <li>To avoid constant payment of residual subtransmission charges and connection charges</li> </ul>	4,666,200.00	
	Replacement of Rotten Poles in the Entire Coverage Area	Acquisition of electrical poles (concrete, wood, and steel) of various sizes	<ul style="list-style-type: none"> <li>To address safety as well as reliability concerns</li> </ul>	2,201,794.00	
	Replacement of Defective kWh Meters in the Entire Coverage Area	Purchase of new kWh meters with the following specifications: single phase, 2w, CL 100, 240 volts, 60HZ 15 A for new installation and replacement of old/dilapidated and defective kWh meters	<ul style="list-style-type: none"> <li>To reduce meter loss</li> </ul>	4,935,240.00	
	Operation and Maintenance of 2010-2014 Rural Electrification Subsidy Projects	Operation and maintenance of newly constructed and energized lines	<ul style="list-style-type: none"> <li>To address efficiency of operation and maintenance of the continuing expansion of lateral lines</li> </ul>	369,042.00	
	Purchase of Line Tools and	Purchase of hot lime materials such as grip-all	<ul style="list-style-type: none"> <li>To augment and replace</li> </ul>	827,316.00	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
	Equipment	clamp stick (shot gun), climbers body belt, compression tools, double clock, hot stick, leg strap, L-pad, multimeter, ratchet chain, safety belts, etc. used in the maintenance of distribution lines	dilapidated tools and equipment which limits the capability of the operation personnel to perform day to day functions <ul style="list-style-type: none"> <li>To address safety among operation personnel</li> </ul>		
	Purchase of Mobile Collection Van	Purchase of a collection van	<ul style="list-style-type: none"> <li>To ensure efficient and safe collection system</li> </ul>	1,500,000.00	
<b>Projects for 2014</b>					
	Construction of 69 kV Line from Guihulngan to Bagawines and Installation of 5MVA Bagawines Substation	Construction of 69 kV line which will be an extension of the 69 kV line from Guihulngan Substation to Bagawines, Vallehermoso. This will serve as the primary source of power of the proposed 5 MVA Substation to be constructed at Bagawines	<ul style="list-style-type: none"> <li>To improve power quality, especially to those area farthest from Guihulngan Substation</li> </ul>	49,720,500.00	
	Purchase and Installation of Power Circuit Breaker (PCB) for Bais and Guihulngan Substation	Procurement and acquisition of 69 kV protective devices/equipment (SF6 Circuit Breakers) necessary for Bais and Guihulngan Substation to replace the existing power fuses	<ul style="list-style-type: none"> <li>To comply with the protection requirement of the Grid Code in coordination with the National Grid Corporation of the Philippines (NGCP)</li> </ul>	5,008,640.00	
	Purchase of Distribution Transformers (DTs)	Purchase of 290 units of conventional, pole type distribution transformers	<ul style="list-style-type: none"> <li>To replace and augment overloaded, old and dilapidated distribution transformers in the entire coverage area of NORECO I as well as new installation as part of the cooperative transformer load management</li> </ul>	4,587,312.00	
	Purchase of Conductors	Procurement of #2/0 ACSR, #2/0 insulated and duplex #6 conductors	<ul style="list-style-type: none"> <li>To address maintenance and upgrading of distribution lines to minimize losses and secondary line to ground fault</li> </ul>	608,462.00	
	Acquisition of 69 kV	Acquisition of 92.5 kilometers of the National	<ul style="list-style-type: none"> <li>To avoid constant payment</li> </ul>	4,666,200.00	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
	Subtransmission Line	Transmission Corporation's (TRANSCO) subtransmission lines located within the franchise area of NORECO I	of residual subtransmission charges and connection charges		
	Replacement of Rotten Poles in the Entire Coverage Area	Acquisition of electrical poles (concrete, wood, and steel) of various sizes	<ul style="list-style-type: none"> <li>To address safety as well as reliability concerns</li> </ul>	4,403,589.00	
	Replacement of Defective kWh Meters in the Entire Coverage Area	Purchase of new kWh meters with the following specifications: single phase, 2w, CL 100, 240 volts, 60HZ 15 A for new installation and replacement of old/dilapidated and defective kWh meters	<ul style="list-style-type: none"> <li>To reduce meter loss</li> </ul>	9,870,480.00	
	Operation and Maintenance of 2010-2014 Rural Electrification Subsidy Projects	Operation and maintenance of newly constructed and energized lines	<ul style="list-style-type: none"> <li>To address efficiency of operation and maintenance of the continuing expansion of lateral lines</li> </ul>	391,117.00	
	Purchase of Handheld Computer (PSION Brand) and Printers	Acquisition of fifteen (15) units PSION brand handheld computers with corresponding printers	<ul style="list-style-type: none"> <li>To implement the read and bill system and assist in the collection of revenues</li> </ul>	1,350,000.00	
	Purchase of Maintenance Vehicles	Purchase of three (3) units of maintenance vehicles, one (1) unit boom truck and two (2) units boom	<ul style="list-style-type: none"> <li>To help in the operation and maintenance of cooperative distribution line since existing maintenance vehicles are old and dilapidated</li> </ul>	940,250.00	
	Purchase of Line Tools and Equipment	Purchase of hot line materials such as grip-all clamp stick (shot gun), climbers body belt, compression tools, double clock, hot stick, leg strap, L-pad, multitester, ratchet chain, safety belts, etc. used in the maintenance of distribution lines	<ul style="list-style-type: none"> <li>To augment and replace dilapidated tools and equipment which limits the capability of the operation personnel to perform day to day functions</li> <li>To address safety among operation personnel</li> </ul>	827,316.00	
	Purchase of Vehicle	Purchase of an administrative vehicle	<ul style="list-style-type: none"> <li>To address mobility of personnel during administrative functions</li> </ul>	285,000.00	
<b>Projects for 2015</b>					
	Construction of 69 kV Line from Guihulngan to Bagawines and	Construction of 69 kV line which will be an extension of the 69 kV line from Guihulngan	<ul style="list-style-type: none"> <li>To improve power quality, especially to those area</li> </ul>	29,036,736.00	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED	
	Installation of 5MVA Bagawines Substation	Substation to Bagawines, Vallehermoso. This will serve as the primary source of power of the proposed 5 MVA Substation to be constructed at Bagawines	farthest from Guihulngan Substation			
	Purchase of Distribution Transformers (DTs)	Purchase of 290 units of conventional, pole type distribution transformers	<ul style="list-style-type: none"> <li>To replace and augment overloaded, old and dilapidated distribution transformers in the entire coverage area of NORECO I as well as new installation as part of the cooperative transformer load management</li> </ul>	3,779,618.00		
	Acquisition of 69 kV Subtransmission Line	Acquisition of 92.5 kilometers of the National Transmission Corporation's (TRANSCO) subtransmission lines located within the franchise area of NORECO I	<ul style="list-style-type: none"> <li>To avoid constant payment of residual subtransmission charges and connection charges</li> </ul>	4,666,200.00		
	Operation and Maintenance of 2010-2014 Rural Electrification Subsidy Projects	Operation and maintenance of newly constructed and energized lines	<ul style="list-style-type: none"> <li>To address efficiency of operation and maintenance of the continuing expansion of lateral lines</li> </ul>	409,740.00		
	Purchase of Vehicle	Purchase of an administrative vehicle	<ul style="list-style-type: none"> <li>To address mobility of personnel during administrative functions</li> </ul>	640,000.00		
<b>Angeles Electric Corporation (AEC)</b>	Design and Construction of 13.8 kV and 115/230 Volts Electric Power Distribution Systems (EPDS) for the following subdivisions:		<ul style="list-style-type: none"> <li>The projects are included in AEC's Distribution Development Plan (DDP). These are barren lands intended for development. However, the same were not included in its Capital Expenditure (CAPEX) Program for Regulatory 2012-2015, which was already approved by the Commission. AEC had no prior knowledge on the</li> </ul>		June 19, 2012 /November 12, 2012	
	1. Deca Clark Subdivision	The Deca Clark Subdivision is a residence and a resort area being developed by 8990 Luzon Development Corporation with a lake for wakeboarding enthusiasts serving as a centerpiece and tourists hub.				25,504,677.99
	2. Mansfield Subdivision					10,202,726.52
	3. Hanin Town Subdivision					3,613,980.81
	4. Timog Residences					10,142,407.59

May 2012 - October 2012



APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (MPhP)	DATE FILED/ APPROVED
		<p>Hausland Development Corporation is the developer for the Mansfield Subdivision, Hanin Subdivision, and Timog Residences.</p>	<p>types of development that may arise from the unpaved lands nor when these may be developed.</p> <ul style="list-style-type: none"> <li>8990 Luzon Development Corporation initially applied for electric service to serve Deca-Clark's Wakeboard Park to the inclusion of residential units.</li> </ul>		

Source: ERC website

## Annex 15. Amount Incurred by NPC for the Grant of MRR, 2001- October 2012

Billing Month	MERALCO	REST OF LUZON	TOTAL LUZON	VISAYAS	MINDANAO	TOTAL
2001						1,682,000,000.00
2002						3,051,860,000.00
2003						3,223,300,000.00
2004						3,467,100,000.00
2005						3,267,100,000.00
2006						2,624,120,000.00
2007						2,679,840,000.00
2008	786,079,461.86	832,317,675.85	1,618,397,137.71	561,119,367.51	635,133,615.12	2,814,650,120.34
January-09	47,806,643.10	62,542,055.24	110,348,698.34	47,015,229.93	55,007,710.33	212,371,638.60
February-09	42,273,187.20	64,217,843.86	106,491,031.06	50,088,622.44	58,532,264.35	215,111,917.85
March-09	44,040,781.71	72,167,723.34	16,208,505.05	40,353,083.65	45,253,008.77	201,814,597.47
April-09	53,118,020.70	72,821,969.18	125,939,989.88	54,326,480.12	59,947,414.10	240,213,884.10
May-09	64,030,998.00	98,241,624.26	162,272,622.26	51,704,193.10	59,122,138.86	273,098,954.22
June-09	68,204,346.90	56,650,477.52	124,854,824.42	51,278,066.68	58,609,301.03	234,742,192.13
July-09	63,628,967.70	65,161,685.28	128,790,652.98	48,742,591.72	54,649,917.21	232,183,161.91
August-09	58,986,725.10	61,356,596.29	120,343,321.39	48,943,598.40	57,173,785.23	226,460,705.02
September-09	50,732,551.80	69,253,355.08	119,985,906.88	49,727,759.66	61,284,765.87	230,998,432.41
October-09	38,966,161.50	55,868,121.86	94,834,283.36	50,266,616.81	58,345,501.27	203,446,401.44
November-09	31,832,086.00	19,908,900.00	51,740,986.00	37,384,175.00	60,168,998.00	149,294,159.00
December-09	24,530,890.00	7,880,404.00	32,411,294.00	37,104,752.00	61,082,278.00	130,598,323.00
January-10	23,572,436.00	5,680,029.00	29,252,465.00	35,947,500.00	61,143,896.00	126,343,861.00
February-10	16,988,494.00	7,383,173.00	24,371,667.00	35,584,880.00	57,003,485.00	116,960,032.00
March-11	30,078,723.00	7,188,075.00	37,266,798.00	32,586,053.00	44,935,288.00	114,788,139.00

May 2012 - October 2012

Billing Month	MERALCO	REST OF LUZON	TOTAL LUZON	VISAYAS	MINDANAO	TOTAL
April-10	27,989,214.10	6,994,305.08	34,983,519.18	33,097,892.60	55,781,074.41	123,862,486.19
May-10	26,945,954.12	8,335,549.24	35,281,503.36	46,852,306.73	58,602,559.43	140,736,369.52
June-10	25,829,411.99	7,667,101.81	33,496,513.80	38,496,958.90	66,213,086.12	138,206,558.82
July-10	7,577,968.93	9,467,995.19	17,045,964.12	37,035,208.59	56,583,928.26	110,665,100.97
August-10	8,449,485.54	8,726,414.90	17,175,900.44	33,892,800.66	57,451,146.62	108,519,847.72
September-10	8,625,603.24	6,891,672.75	15,517,275.99	35,104,382.96	57,349,652.55	107,971,311.50
October-10	9,210,107.25	6,795,056.53	16,005,163.78	33,663,960.20	58,237,764.61	107,906,888.59
November-10	8,996,042.05	6,614,179.19	15,610,221.24	32,882,418.91	62,022,299.56	110,454,939.71
December-10	7,929,051.20	1,951,050.19	9,880,101.39	32,407,720.28	78,841,735.75	121,129,557.42
January-11	12,866,368.66	4,279,707.63	17,146,076.29	30,440,344.80	65,272,213.70	112,858,634.79
February-11	11,901,724.80	4,185,132.98	16,086,857.78	26,155,577.14	57,774,813.96	100,017,248.88
March-11	9,768,215.70	3,969,708.66	13,737,924.36	23,742,284.14	51,874,251.31	89,354,459.81
April-11	5,172,690.30	4,263,910.08	9,436,600.38	20,084,581.86	58,855,190.04	88,376,372.28
May-11	8,387,174.86	4,784,938.17	13,172,113.03	20,529,433.51	68,402,330.52	102,103,877.06
June-11	11,310,086.13	4,973,382.86	16,283,468.99	22,250,391.59	62,851,407.75	101,385,268.33
July-11	10,547,112.05	4,653,784.10	15,200,896.15	22,352,448.64	60,225,893.67	97,809,238.46
August-11	9,207,207.46	4,691,365.50	13,898,572.96	20,978,035.54	62,271,564.88	97,148,173.38
September-11	7,076,107.39	4,610,040.19	11,686,147.58	20,868,424.70	62,829,132.99	95,383,705.27
October-11	5,551,114.71	4,515,770.27	10,066,884.98	21,339,283.45	62,856,303.08	94,262,471.51
November-11	3,969,132.06	4,583,955.34	9,126,664.00	20,614,468.60	64,639,733.34	94,380,865.94
December-11	5,463,569.37	4,143,157.34	9,606,726.71	19,708,235.60	64,896,365.46	94,211,327.77
January-12	934,471.58	1,868,028.00	2,802,499.58	18,851,497.97	64,076,315.36	85,730,312.91
February-12	1,311,195.54	1,839,662.40	3,150,857.94	19,181,446.72	60,517,280.85	82,849,585.51
March-12	1,392,820.86	1,853,163.30	3,245,984.16	18,412,336.44	54,976,695.50	76,635,016.10

May 2012 - October 2012

Billing Month	MERALCO	REST OF LUZON	TOTAL LUZON	VISAYAS	MINDANAO	TOTAL
April-12	1,555,958.33	2,111,709.30	3,667,667.63	17,061,517.71	57,238,872.87	77,968,058.21
May-12	1,554,330.71	2,111,281.50	3,665,612.21	18,500,897.45	61,089,720.41	83,256,230.07
June-12	1,615,760.64	1,958,480.10	3,574,240.74	20,209,017.40	65,117,974.74	88,901,232.88
July-12	1,496,653.14	1,913,728.50	3,410,381.64	19,926,688.18	56,887,839.01	80,224,908.83
Aug-12	1,527,035.72	1,707,646.50	3,234,682.22	18,564,718.00	60,684,395.62	82,483,795.84
Sep-12	1,475,938.50	1,784,565.90	3,260,504.40	17,883,184.25	60,119,644.27	81,263,332.92
Oct-12	1,445,567.31	--	1,445,567.31	19,489,295.83	57,886,442.12	78,821,305.26
<b>TOTAL</b>	<b>1,691,953,548.81</b>	<b>1,692,886,152.26</b>	<b>3,285,413,277.67</b>	<b>2,012,750,729.37</b>	<b>3,379,820,995.90</b>	<b>28,773,275,001.94</b>

Source: NPC