

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

**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF THE POWER
SUPPLY AGREEMENT (PSA)
ENTERED INTO BY AND
BETWEEN CEBU I
ELECTRIC COOPERATIVE,
INC. (CEBECO I) AND
THERMA VISAYAS, INC.
(TVI)**

ERC CASE NO. 2015-177 RC

**CEBU I ELECTRIC
COOPERATIVE, INC.
(CEBECO I) AND THERMA
VISAYAS INC. (TVI),**

DOCKETED
Date: **MAY 11 2016**
By: *pc*

Applicants.

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NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 19 October 2015, Cebu I Electric Cooperative, Inc. (CEBECO I) and Therma Visayas, Inc. (TVI) filed a joint application for the approval of their Power Supply Agreement dated 11 July 2015.

In the said application, CEBECO I and TVI alleged, among others, the following:

Applicants.

1. CEBECO I is an electric cooperative organized and existing under and by virtue of the laws of the Republic of the Philippines with principal office at Bitoon, Dumanjug, Cebu. It has been granted a franchise by the National Electrification

Administration (NEA) to distribute electric service in the City of Carcar and the Municipalities of Sibonga, Argao, Dalaguete, Alcoy, Boljoon, Oslob, Santander, Samboan, Ginatilan, Malabuyoc, Alegria, Badian, Moalboal, Alcantara, Ronda, Dumanjug and Barili, all in the province of Cebu (the "Franchise Area"), represented herein by its General Manager MARLOU M. RENDON, duly authorized by virtue of Board Resolution No. 91 Series of 2015, dated September 12, 2015, copy of which is attached hereto as Annex "A".

2. The filing of this Joint-Application on the part of co-applicant CEBECO I is likewise authorized under the aforementioned Resolution.
3. TVI is a generation company duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at Barangay Bato, Toledo City, Cebu.
4. CEBECO I and TVI may be served with the orders, notices, and other processes of this Honorable Commission through their respective undersigned counsels.

Statement of Facts

5. The franchise area of CEBECO I had a total peak power demand of 33 MW in the year 2014. Currently, CEBECO I sources its electric power requirements from the following suppliers:
6. 11 MW from the Cebu Energy Development Corp., (CEDC) under a Power Supply Contract until 2025;
7. 10 MW from the KEPCO-SPC Power Corp., (KSPC) under a Power Supply Contract until 2021;
8. Excess or balance over the above mentioned Bilateral Contract Quantities of CEBECO I is sourced from its owned embedded mini-hydro plants in intermittent operations greatly dependent on availability of run-of-river water (less than 1MW net capacity), as well as from the Wholesale Electricity Spot Market (WESM).

9. The demand within the CEBECO I franchise area is projected to grow by 4% each year from 2014. Thus, by 2018, CEBECO I will need an additional two megawatts (2 MW) of power supply. This demand growth is what is sought to be supplied by a portion of the contracted capacity under the PSA with TVI. This is consistent with the Distribution Development Plan of Applicant CEBECO I.
10. Considering the foregoing, CEBECO I, exercising due diligence and foresight, in order to adequately serve the growing demand requirements of its consumers, has been evaluating its supply options for the near future. While as part of its evaluation and assessment, aside from simply sourcing such additional power requirements, CEBECO I also deemed it logical and necessary to spread its power supply among different power generators in order to prevent the possibility of total supply blackout if sourced from only one or two suppliers.
11. For this reason, CEBECO I in fulfilment of its responsibility to provide secure and reliable supply to its end-users within its franchise area, sought out generation offers in order to procure the most advantageous offer. Towards this end, CEBECO I received power supply offers from different generation companies and demand strip owners of Leyte Geothermal. After careful study and due diligence, CEBECO I finds that the power supply offer from TVI is the most responsive to the future needs of the cooperative based on the following considerations:
 - *Offers* - Of the offers received, only TVI has a second offer with a reduced Capital Recovery Fee (CRF) and Fuel Cost (which is variable in nature just like with the others). TVI came out to have a good pricing offer advantageous to CEBECO I.

- *Least cost* - Lowest effective offer rate and flexible rate structure that suits the need of CEBECO I considering its residential based customers. Taking into account the minimum load sharing of 40% instead of straight 100%.
 - *Proximity* - Nearest to CEBECO I among new and existing generating plants with capacity and which offered to supply power as of to date.
 - *Trading node* - Consideration of the shorter transmission route from the power plant to Trading Node to minimize line rental and congestion costs.
 - *Plant location* - In times of calamities and other events, the plant can deliver power even during islanding scenario because it is within the province of Cebu.
12. Accordingly, on July 11, 2015, CEBECO I and TVI entered into a PSA for the supply of 2MW from Unit Two, for a period of fifteen (15) years. CEBECO I took into account the location, size, term and cost of the capacity offered by TVI such that CEBECO I is ensured of the security, reliability and affordability of the supply of its electricity requirements during the term of the PSA.

Terms of the PSA

13. Salient Features. The PSA contains the following salient terms and conditions:
- 13.1. Term. The PSA has a term commencing from the date of its execution until fifteen (15) years after Operations Effective Date which is the date when the obligation of TVI to deliver, and CEBECO I to receive, Contract Capacity and Contract Energy, shall commence, provided, that, the following conditions are satisfied: (a) Commercial Operations Date of Unit 2 of the Plant has occurred; (b) receipt by TVI of CEBECO I's Security Deposit; (c) receipt by TVI of the final approval of the PSA no later than 1 year after Effective Date; (d) receipt by TVI of the

full payment of the Commissioning Energy Charge due from CEBECO I as of date of the latter's receipt of the Commercial Operations Date Notice; (e) receipt by TVI of a copy of the Market Participation Agreement between CEBECO I and PEMC; and (f) the representations and warranties of CEBECO I shall be true and correct in all material respects as of the Operations Effective Date.

13.2 Contract Capacity/Energy. The energy contracted by CEBECO I under the PSA is equivalent to the energy associated with the Contract Capacity of 2MW, as set out in the Contract Energy Schedule 3.1(b) of the PSA. TVI shall deliver, and CEBECO I shall receive, Contract Capacity and the Contract Energy at the Metering Point which shall be the high-voltage side of the transformer at the Plant. The PSA provides that during Scheduled and Unscheduled Outages within the Outage Allowance, TVI will not be required to supply replacement capacity and energy. In such scenario, CEBECO I, at its own cost, shall source the replacement capacity and energy from other sources, which may include the WESM. On the other hand, during planned and unplanned outages beyond the allowance, TVI is responsible for providing replacement power at contract rate. Further, in case of Force Majeure affecting TVI, it shall be CEBECO I's obligation to source the replacement capacity and energy from other sources, at no cost to TVI.

13.3 Adjustments to Contract Capacity/Energy. CEBECO I may request an increase in the Contract Capacity and/or Contract Energy in respect of a Billing Period by written notice at least thirty (30) days before the intended date of effectivity and subject to TVI's acceptance or refusal. In case of approval, the additional Contract Capacity and/or Contract Energy shall be paid by CEBECO I at the Contract Price, provided, that, the increase in the Contract Capacity and/or the Contract Energy shall not be effective until CEBECO I posts an additional Security Deposit.

13.3.1 Any proposed adjustments (increase/decrease) to the Contract Capacity and/or Contract Energy which is intended to apply to the succeeding contract year shall be sent by CEBECO I in writing to TVI no later than 60 days prior to each anniversary of the Operations Effective Date, subject to TVI's approval and to the payment of Contract Price. This notwithstanding, at any time during the Contract Period, CEBECO I may also send a written request to TVI to increase the Contract Capacity and/or Contract Energy, no later than six (6) months prior to the effectivity of the proposed increase, subject to TVI's approval and to the payment of Contract Price.

13.3.2 On the other hand, a decrease in the Contract Capacity and/or Contract Energy shall cause CEBECO I to compensate TVI in the amount of the Buy-Out Charge, computed as follows:

$$BOC = \sum_{r=1}^{RCP} \left[\frac{\left\{ \left\{ CRF * \left[(0.475) + \left(0.525 * \frac{FX_{crf}}{FX_0} \right) \right] \right\} + \left\{ ICRF * \left[(0.61) + \left(0.39 * \frac{FX_{icrf}}{FX_0} \right) \right] \right\} * (CC - RCC)}{\left(1 + \frac{8.75\%}{12} \right)^r} \right]$$

Where:

- | | |
|--------------------|---|
| CC | = Contract Capacity in kW as indicated in Table 1 of Schedule 7.1 of the PSA |
| RCC | = the reduced contract capacity in kW |
| ICRF | = Interconnection Capital Recovery Fee in PhP/kW-month as indicated in Table 1 of this Schedule, if Customer is liable to pay ICRF _{month} in accordance with Schedule 3.1(b) (General Conditions), item 5a, during the affected buy-out period; otherwise, PhPo/kW-mo |
| RCP | = the number of Billing Periods in the remaining Contract Period |
| FX ₀ | = the base PhP/USD exchange rate as indicated in Table of Schedule 7.1 of the PSA |
| FX _{crf} | = the weighted average PhP/USD exchange rate computed based on the actual cost of securing USD for each payment of dollar-denominated sums due under the relevant engineering, procurement and construction contract |
| FX _{icrf} | = the weighted average PhP/USD exchange rate computed based on the actual cost of securing USD for each payment of dollar-denominated sums due under the relevant engineering, procurement and construction contract |

13.4 Stages of Supply. TVI shall supply power to CEBECO I in various stages, as follows:

13.4.1 Pre-Commercial Operations Date of the Plant. CEBECO I shall purchase the proportionate net electrical output of the Plant, subject to the payment of Commissioning Energy Charge as provided in Schedule 7.1 of the PSA.

13.4.2 Upon Commercial Operations Date of Unit 1 of the Plant. TVI shall supply and deliver Contract Capacity and Contract Energy (whether from the capacity of the Power Plant or the power plants owned or operated by any of its affiliates, WESM, if any, or any other supplier) to CEBECO I during the Billing Periods covered by the PSA.

13.5 Share in Minimum Load Requirement. In all intervals, CEBECO I shall nominate no less than the Share in Minimum Load Requirement of 800 kW, subject to the conditions under the PSA in case the aggregate nominated energy of all customers of TVI is less than the Minimum Load Requirement due to Force Majeure event affecting one or more customers.

13.6 **Contract Price.** CEBECO I shall pay the Contract Price which consists of variable and fixed charges, subject to annual adjustments. The Contract Price shall depend on whether the power is delivered before Commercial Operations Date or from Commercial Operations Date of the Plant. The formula for computing these Monthly Electricity Fees are computed under the PSA based on the following formula:

A. BEGINNING ON COMMERCIAL OPERATION DATE:

Monthly Electricity Fees

$$= \text{Fixed Fees}_{\text{month}} + \text{Variable Fees}_{\text{month}} \\ + \text{Start up Charges} + \text{Taxes and Other Charges}$$

All computations on payments to Supplier shall not be rounded off, except for the final PhP amount, which shall be rounded off to the nearest Philippine centavo. The Monthly Electricity Fees shall be subject to the applicable value-added tax.

$$\text{Fixed Fees}_{\text{month}} = \text{CRF}_{\text{month}} + \text{FOM}_{\text{month}}$$

$$\text{Variable Fees}_{\text{month}} = \text{VOM}_{\text{month}} + \text{Fuel}_{\text{month}}$$

I. CRF_{month}

The Customer shall pay the Supplier the Monthly Capital Recovery Fee (CRF_{month}) for the current Billing Period in accordance with the following formula:

$$\text{CRF}_{\text{month}} = \text{CRF} * \left[(0.475) + \left(0.525 * \frac{\text{FX}_{\text{crf}}}{\text{FX}_0} \right) \right] * \text{CC} * \text{Adj}$$

Where:

CC = Contract Capacity in kW as indicated in Table 1 of Schedule 7.1 of the PSA

CRF = Capital Recovery Fee in PhP/kW-mo as indicated in Table 1 of Schedule 7.1 of the PSA

Adj = Force Majeure adjustment with the following formula:

$$\text{Adj} = \frac{(\text{no. of hours during the current Billing Period}) - \text{FM}}{(\text{no. of hours during the current Billing Period})}$$

where:

FM = no. of hours of Force Majeure event during the current Billing Period

FX₀ = the base PhP/USD exchange rate as indicated in Table 1 of Schedule 7.1 of the PSA

FX_{crf} = the weighted average PhP/USD exchange rate computed based on the actual cost of securing USD for each payment of dollar-denominated sums due under the relevant engineering, procurement and construction contract

II. FOM_{month}

The Customer shall pay the Supplier the Monthly Fixed Operations & Maintenance fees (FOM_{month}) for the current Billing Period in accordance with the following formula:

$$\begin{aligned} \text{FOM}_{\text{month}} &= \left[\left(0.25 * \text{FOM} * \text{CC} * \frac{\text{USCPI}_m}{\text{USCPI}_0} * \frac{\text{FX}_m}{\text{FX}_0} \right) \right. \\ &\quad \left. + \left(0.75 * \text{FOM} * \text{CC} * \frac{\text{RPCPI}_m}{\text{RPCPI}_0} \right) \right] * \text{Adj} \end{aligned}$$

Where:

CC = as previously defined

FOM = Fixed Operations and Maintenance Fee in PhP/kW-month as indicated in Table 1 of this Schedule

FX₀ = as previously defined

USCPI₀ = the base US Consumer Price Index – All Items (1982-84=100) as indicated in Table 1 of this Schedule

RPCPI₀ = the base Philippine Consumer Price Index for All Income Households in the Philippines – All Items (2006=100) as indicated in Table 1 of this Schedule

FX_m	= the average PhP/USD exchange rate of the last three (3) calendar months prior to Billing Period for which the Invoice is being prepared, as published in the Bangko Sentral ng Pilipinas website
$USCPI_m$	= the US Consumer Price Index – All Items (1982-84=100) published as of the current Billing Period for which the Invoice is being prepared
$RPCPI_m$	= the Philippine Consumer Price Index for All Income Households in the Philippines – All Items (2006=100) published as of the current Billing Period for which the Invoice is being prepared
Adj	= as previously defined

III. VOM_{month}

The Customer shall pay the Supplier the Monthly Variable Operations & Maintenance fees (VOM_{month}) for the current Billing Period in accordance with the following formula:

$$VOM_{month} = \left[\left(0.25 * VOM * \frac{USCPI_m}{USCPI_o} * \frac{FX_m}{FX_o} \right) + \left(0.75 * VOM * \frac{RPCPI_m}{RPCPI_o} \right) \right] * TED$$

Where:

VOM	= Variable Operations and Maintenance Fee in PhP/kWh as indicated in Table 1 of this Schedule
FX_o	= as previously defined
$USCPI_o$	= as previously defined
$RPCPI_o$	= as previously defined
FX_m	= as previously defined
$USCPI_m$	= as previously defined
$RPCPI_m$	= as previously defined
TED	= Total Energy Delivered to the Customer by the Supplier in kWh during the current Billing Period

IV. $Fuel_{month}$

The Customer shall pay the Supplier the Monthly Fuel fees ($Fuel_{month}$) for the current Billing Period in accordance with the following formula:

$$Fuel_{month} = \left\{ \left[\frac{(\text{Fuel Costs} + \text{Freight Costs})}{1,000} \right] * CR * FX_m \right\} * TED$$

Where:

Fuel Costs	= $N_m * \frac{ACV}{6,300 \text{ kcal/kg}}$
ACV	= Average calorific value, higher heating value, of coal in kcal/kg used in the current Billing Period
Freight costs	= actual transport costs in USD/MT which include but not limited to port charges, fuel, insurance, wharfage fees, demurrage, excise tax, handling, customs brokerage fees, customs duties, stevedores and arrastre costs, tuggage costs, survey fee, towage, pilotage, light dues, mooring and unmooring, berthing and deberthing, and tonnage dues and sundries on the coal used during the current Billing Period. Freight costs shall include all other existing and

future taxes, fees, imposts and other charges that may be imposed on the transport of coal

FX _m	= as previously defined
N _m	= the average Newcastle Index (USD/MT) of the last three (3) calendar months prior to the Billing Period for which the Invoice is being prepared, as posted by globalCOAL on the website www.globalcoal.com or its successor or, if globalCOAL ceases to report the Newcastle Index, an agreed upon replacement source that reports the Newcastle Index shall be adopted by the Parties
CR	=consumption rate at 0.7 kg/kWh, escalated at 1% annually
TED	= as previously defined

V. Start up Charges

The cost for starting up each unit of the Power Plant after a period of shutdown due to Scheduled or Unscheduled Outages attributable to the Supplier shall be for the account of the Supplier. On the other hand, the costs for each start up of a unit of the Power Plant after a period of shutdown due to any other reason shall be for the account of the Customer and shall be charged in accordance with the following formula:

COLD START UP (where plant downtime is beyond 8 hours)

$$\text{Start up Charges} = 143,500 \text{ liters} * DO_m * \frac{CC}{TCC}$$

WARM START UP (where plant start up occurs after less than 8 hours of downtime)

$$\text{Start up Charges} = 107,600 \text{ liters} * DO_m * \frac{CC}{TCC}$$

HOT START UP (where plant start up occurs after less than 2 hours of downtime)

$$\text{Start up Charges} = 71,800 \text{ liters} * DO_m * \frac{CC}{TCC}$$

Where:

DO _m	= the actual price of diesel oil in PhP/liter as billed by the supplier of diesel oil applicable for the Billing Period for which the Invoice is being prepared
CC	= as previously defined
TCC	= Total contracted capacity in kW of the Supplier

In the event that revisions are made on the above indices, including any shift made in the base year and other adjustments to such index made by the relevant authorized entity, its successor-in-interest, there shall be a corresponding change in the base index such that the use of the revised index will yield the equivalent values as the use of the original base index.

In the event that the index (a) becomes unavailable, (b) is replaced by a new benchmark rate as determined by the relevant authorized entity, its successor in interest, or (c) ceases to exist, or (d) in the reasonable determination of either Party, fails to reflect the real costs and forms an integral part of this price mechanism, the Parties shall agree to adopt a new price index.

VI. Taxes and Other Charges

Taxes and Other Charges refers to the CEBECO I's share in all existing and future taxes, fees and imposts (and any increase or adjustments thereon), real property taxes, transmission charges and other charges imposed on the Power Plant, including the Interconnection Capital Recovery Fee indicated in item 5 (a) of Schedule 3.1 (b).

$$\text{Taxes and Other Charges} = (\text{taxes and other charges} \times \frac{CC}{TCC}) + \text{ICRF}_{\text{month}}$$

Where:

- | | | |
|----------|-------------------------|---|
| Supplier | CC | = as previously defined |
| | TCC | = Total contracted capacity, in kW of |
| | taxes and other charges | = all existing and future taxes which are imposed on the Power Plant, including any increase or adjustments on existing taxes, fees, imposts including transmission charges and other charges in Philippine Pesos |

$\text{ICRF}_{\text{month}}$ = refers to the Monthly Interconnection Recovery Fee which shall be computed in accordance with the following formula and paid by Customer in accordance with Schedule 3.1 (b) (General Conditions), item 5a.

$$\text{ICRF}_{\text{month}} = \text{ICRF} \left[(0.61) + \left(0.39 * \frac{\text{FX}_{\text{icrf}}}{\text{FX}_o} \right) \right] * CC * \text{Adj}$$

Where:

- | | |
|--------------------|---|
| CC | = as previously defined |
| ICRF | = Interconnection Recovery Fee in PhP/kW-mo as indicated in Table 1 of Schedule 7.1, subject to further adjustments based on the actual connection configuration and costs of the Interconnection Facilities. The Parties shall execute a supplemental agreement to reflect the adjusted ICRF (the "Supplemental Agreement"). Within thirty (30) days from execution of the Supplemental Agreement, the Parties shall file the corresponding application for approval thereof by the ERC. |
| FX _o | = as previously defined |
| FX _{icrf} | = the weighted average PhP/USD exchange rate computed based on the actual cost of securing USD for each payment of dollar-denominated sums due under the relevant engineering, procurement and construction contract |
| Adj | = as previously defined |

BEFORE COMMERCIAL OPERATION DATE:

Monthly Electricity Fees = Commissioning Charges + Other Taxes and Charges

All computations on payments to Supplier shall not be rounded off, except for the final PHP amount, which shall be rounded off to the nearest Philippine centavo. The Monthly Electricity Fees shall be subject to the applicable value-added tax. The Monthly Electricity Fees shall be subject to the applicable value-added tax.

I. Commissioning Charges

The Customer shall pay the Supplier the Commissioning Charges subject to the applicable value-added tax for electricity supplied during the period of testing and commissioning of the Power Plant in accordance with the following formula:

$$\text{Commissioning Charges} = \text{VOM}_{\text{month}} + \text{Fuel}_{\text{month}}$$

Where:

$\text{VOM}_{\text{month}}$ = computed in accordance with item A.III of this Schedule
 $\text{Fuel}_{\text{month}}$ = computed in accordance with item A.IV of this Schedule

II. Taxes and Other Charges

Taxes and Other Charges = as previously defined

The agreed amounts relevant to the computation of Contract Price are as follows:

Details	Unit	Amount
CC	kW	2,000
Minimum Load Requirement (40%)	kW	800
CRF	Php/kW-month	1,514
ICRF	PhP/kW-month	120
FOM	PhP/kW-month	229
VOM	PhP/kWh	0.2977
FX ₀	PhP/USD	47.00
USCPI ₀		233.049
RPCPI ₀		136.80

9.7 Termination Fee. In the event that the PSA is terminated by TVI on the grounds of (a) the failure of CEBECO I to pay the Electricity Fees or any other amounts payable under the PSA; (b) failure by CEBECO I to replenish its Security Deposit in full; (c) breach by CEBECO I of any of the provisions of the PSA and its failure to cure the breach within a period of thirty (30) days from receipt of the notice of the breach; and (d) termination by TVI of the PSA upon the occurrence of any

events of default under Article 17.2 of the PSA, CEBECO I shall be liable to pay a termination fee computed using the following formula:

$$TF = \sum_{r=1}^{RCP} \left[\frac{\left\{ \left\{ CRF * \left[(0.475) + \left(0.525 * \frac{FX_{crf}}{FX_0} \right) \right] \right\} + \left\{ ICRF * \left[(0.61) + \left(0.39 * \frac{FX_{icrf}}{FX_0} \right) \right] \right\} * CC}{\left(1 + \frac{8.75\%}{12} \right)^r} \right]$$

Where:

- CC = Contract Capacity in kW as indicated in Table 1 of Schedule 7.1 of the PSA
- CRF = Capital Recovery Fee in PhP/kW-month as indicated in Table 1 of Schedule 7.1 of the PSA
- ICRF = Interconnection Capital Recovery Fee in PhP/kW-month as indicated in Table 1 of Schedule 7.1, if Customer is liable to pay ICRF_{month} in accordance with Schedule 3.1(b) (General Conditions), item 5a, during the affected termination period; otherwise, PhPo/kW-mo
- RCP = the number of Billing Periods in the remaining Contract Period
- FX₀ = the base PhP/USD exchange rate as indicated in Table 1 of Schedule 7.1 of the PSA
- FX_{crf} = the weighted average PhP/USD exchange rate computed based on the actual cost of securing USD for each payment of dollar-denominated sums due under the relevant engineering, procurement and construction contract
- FX_{icrf} = the weighted average PhP/USD exchange rate computed based on the actual cost of securing USD for each payment of dollar-denominated sums due under the relevant engineering, procurement and construction contract

RATE IMPLICATION

14. An analysis was conducted to determine the impact of the implementation of the PSA on CEBECO I's generation costs, a copy of which is attached as Annex "M". The following table shows the indicative rate impact on the charges of CEBECO I once the TVI Power Plant commences commercial operation which is projected to be on 2018:

	Generation Charge		
	Without TVI	With TVI	Impact
Total (Php/kWh)	4.7935	4.8033	0.0098

**Data used in the above results (Rate implication) are based from energy purchases of CEBECO I for six months in 2015.*

15. In support of the instant application, the following documents are attached as annexes hereof:

Annex	Document
A	CEBECO I's Board Resolution No. 91 Series of 2015
B	PSA
C	Securities and Exchange Commission Certificate of Registration of TVI
D	Articles of Incorporation of TVI
E	General Information Sheet of TVI
F	Board of Investments Certificate of Registration
G	Relevant technical and economic characteristics of the Plant (indicative)
H	Proposed fuel procurement process
I	Latest audited financial statements of TVI
J	Environmental Compliance Certificate
K	Sources of funds/financial plans
L	Purchased power rate
M	CEBECO I Distribution Development Plan
N	Rate Impact Analysis
O	Executive Summary of present PSA
P	CEBECO'S Supply/Demand situation and Load Curve
Q	CEBECO I's Procurement Process

Pursuant to ERC Resolution No. 16, Series of 2014, TVI shall file the necessary application for a Certificate of Compliance no later than three (3) months prior to the target date of testing and commissioning of the Plant.

Motion for Confidential Treatment of Information

16. Under Rule 4 of the ERC Rules, the Honorable Commission may, upon request of a party and determination of the existence of conditions which would warrant such remedy, treat certain information submitted to it as confidential. Pursuant thereto, it is respectfully requested that the proposed fuel procurement process (Annex "H"), sources of funds/financial plans (Annex "K") and computation of the purchased power rate (Annex "L") be treated as confidential and, accordingly, not be disclosed to persons other than officers and staff of the Honorable Commission, as may be necessary in the evaluation of this Application.

17. These documents contain certain non-public, proprietary information, data and calculations involving business operations and financial trade secrets reflecting TVI's investment and business calculations. These are not generally available to, or already in the possession of the Honorable Commission. These documents bear the mark "Confidential" in each and every page and are placed in a sealed envelope, marked "Confidential".

PRAYER

WHEREFORE, in view of all the foregoing, it is most respectfully prayed of this Honorable Commission that:

1. after hearing on the merits, **APPROVE** with **FINALITY** the Power Supply Agreement dated July 11, 2015 including the rates, Security Deposit, Applications Costs and charges set therein; and

2. an **ORDER** be issued (a) treating Annexes "H", "K," and "L" and the information contained therein as confidential, (b) directing their non-disclosure to persons other than the officers and staff of the Honorable Commission, pursuant to Rule 4 of the ERC Rules, and (c) prescribing the guidelines for the protection thereof.

Other reliefs just and equitable are likewise prayed for.


The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **14 June 2016 (Tuesday) at ten o'clock in the morning (10:00 A.M.) at CEBECO I's Principal Office, Bitoon, Dumanjug, Cebu.**

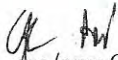
All persons who have an interest in the subject matter of the proceeding may become a party by filing, at least five (5) days prior to the initial hearing and subject to the requirements in the ERC's Rules of Practice and Procedure, a verified petition with the Commission giving the docket number and title of the proceeding and stating: (1) the petitioner's name and address; (2) the nature of petitioner's interest in the subject matter of the proceeding, and the way and manner in which such interest is affected by the issues involved in the proceeding; and (3) a statement of the relief desired.

All other persons who may want their views known to the Commission with respect to the subject matter of the proceeding may file their opposition to the application or comment thereon at any stage of the proceeding before the applicant concludes the presentation of its evidence. No particular form of opposition or comment is required, but the document, letter or writing should contain the name and address of such person and a concise statement of the opposition or comment and the grounds relied upon.

All such persons who may wish to have a copy of the application may request the applicant, prior to the date of the initial hearing, that they be furnished with a copy of the application. The applicant is hereby directed to furnish all those making such request with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs. Likewise, any such person may examine the application and other pertinent records filed with the Commission during the usual office hours.

WITNESS, the Honorable Chairman, **JOSE VICENTE B. SALAZAR**, and the Honorable Commissioners, **ALFREDO J. NON**, **GLORIA VICTORIA C. YAP-TARUC**, **JOSEFINA PATRICIA A. MAGPALE-ASIRIT** and **GERONIMO D. STA. ANA**, Energy Regulatory Commission, this 5th of May, 2016 at Pasig City.


ATTY. NATHAN J. MARASIGAN
Chief of Staff
Office of the Chairman and CEO


erc/apv Ord.2015-177 CEBECO I- TVI PSA nph