

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF CAPITAL
PROJECTS FOR RY 2020 TO
2022**

ERC CASE NO. 2024-123 RC

**DAGUPAN ELECTRIC
CORPORATION (DECORP),**
Applicant.

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Promulgated:
November 04, 2024

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 02 October 2024, Dagupan Electric Corporation (DECORP) filed, through the Energy Virtual One-Stop Shop (EVOSS) portal, an *Application*, dated 30 July 2024, seeking the Commission's approval of its Capital Expenditure (CAPEX) projects for 2020 to 2022.

The pertinent allegations of the *Application* are hereunder quoted as follows:

APPLICATION

1. Applicant DECORP is a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office at VFL Building, A.B. Fernandez West, Poblacion Oeste, Dagupan City where it may be served with summons and other legal processes.
2. Applicant DECORP is the franchise holder issued by Congress of the Philippines to operate electric light and power services in the City and Municipalities of Dagupan, Calasiao, San Fabian, Sta. Barbara, San Jacinto, Manaoag, Barangays Cruz and Bolingit of San Carlos City, all in the Province of Pangasinan.
3. DECORP is part of the First Entry Group (otherwise known as "Group A") that entered into the performance-based regulation ("PBR") rate setting methodology on July 1, 2007. Other members of Group A are Cagayan Electric Power and

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Light Company, Inc. (CEPALCO) and Manila Electric Company (MERALCO). The Second Regulatory Period of PBR was from July 1, 2007 to June 30, 2011.

4. As part of the PBR rate setting methodology, DECORP entered the Third Regulatory Period on July 1, 2011 to June 30, 2015.
5. Given the need by DECORP to undertake these capital projects in order to address the load growth, network non-growth, network control/safety, metering as well as renewal, replacement, and refurbishment of existing distribution assets, DECORP is now filing this instant application.
6. DECORP has several electric capital projects for RY 2020 to 2022 which are necessary to maintain the reliable and safe operation of its distribution network as well as to provide for the growing electricity demand in the DECORP franchise area.
7. Being guided by the latest Rules for Setting Distribution Wheeling Rates (RDWR), as amended, and ERC Resolution No. 17, Series of 2011, Investor-Owned Electric Distribution Utility Planning Manual, DECORP hereby submits for approval to the Honorable Commission the following electric and non-electric capital projects for RY 2020 to 2022:

MAJOR PROJECTS

Schedule	Description	RY 2020	RY 2021	RY 2022
1	Construction of 20/25 MVA, 69kV/13.8Kv San Fabian Substation	-	90,755,847.43	-
2	Construction of 69kV Sub-transmission Expansion from Pantal to Tempra-Guilig, San Fabian (Line Extension) using Single 795MCM ACSR Conductor per phase	-	61,915,181.66	-
3	Construction of 69kV Sub-transmission Line from Sapang, Sta. Barbara to Erfe, Sta. Barbara (Line Expansion)	-	-	54,966,225.01
	SUB TOTAL	-	152,671,029.09	54,966,225.01

RESIDUAL PROJECTS

Schedule	Description	RY 2020	RY 2021	RY 2022
4	Distribution Rehabilitation (Line Revamp)	17,896,262.93	19,884,815.27	22,327,029.70
5	Distribution Rehabilitation (Line Revamp) Related to	1,168,719.69	25,448.05	2,430,765.26

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	DPWH Projects			
6	Primary Line Revamp at Babasit-Pugaro, Manaoag	-	-	1,403,755.58
7	Rehabilitation of Labrador-Binmaley-Calasio 69kV Sub-transmission Line	556,442.12	728,949.57	707,625.62
8	Distribution Line Devices	3,330,011.63	5,273,083.11	-
9	Substation Protective Equipment	294,642.86	1,366,071.43	-
10	Rehabilitation of Distribution Utilities Acquired from LUELCO	338,225.47	9,669,877.48	10,985,023.47
11	Network Reinforcement	314,744.75	173,830.05	786,651.77
12	Grounding/Earthing Improvement	79,958.85	-	-
13	Insulation-Coordination Improvement	1,122,065.49	1,720,835.17	1,044,694.32
14	Street Lighting Requirement	401,982.72	118,760.17	5,109,104.08
15	Tools, shop, safety gadgets and garage equipment	466,464.29	299,375.01	563,366.07
16	Laboratory Equipment	34,375	28,571.43	484,389.29
17	Feeder Development Phase 1	-	2,545,226.41	-
18	Primary Line Expansion from Lipit-Tomeeng to Bolaen, San Fabian	245,943.82	5,371,950.27	-
19	Distribution Expansion (Line Extension)	18,183,903.19	15,719,935.03	25,167,414.92
20	Service Drops	743,458.55	899,575.72	2,891,008.54
21	Distribution line transformers	26,998,013.26	30,863,132.52	30,641,456.36
22	Meters, metering instruments, and metering transformers	34,974,773.13	33,411,405.66	40,636,966.96
23	Materials and Supplies (Including Spares)	5,296,280.49	18,043,370.13	14,900,716.62
24	Acquisition of LUELCO Distribution Facilities Serving Barangays of San Jacinto and San Fabian	8,500,000.00	-	-
25	Primary Line Expansion with Load Splitting at Ayusip Road, Bonuan Boquig, Dagupan City	1,503,694.96	491,029.85	-
26	Transportation	6,425,000.00	14,885,714.28	22,462,834.83
27	Information system equipment	2,982,213.54	6,167,939.72	3,444,450.30
28	Office furniture and equipment	206,824.39	1,579,619.31	606,129.91
29	Buildings and Grounds Improvements	15,964,821.43	14,560,090.75	277,000.00
30	Communication Equipment	-	-	254,978.57
	SUB TOTAL	148,028,822.55	183,828,606.40	187,125,362.18
	GRAND TOTAL	148,028,822.55	336,499,635.49	242,091,587.19
	TOTAL FOR ALL YEARS			726,620,045.23

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8. The total project cost of the proposed network and non-network capital projects (for the Regulatory Years 2020 to 2022) will amount to Seven Hundred Twenty-six Million Six Hundred Twenty Thousand Forty-five Pesos and Twenty-three Centavos (P726,620,045.23).
9. Moreover, the proposed CAPEX will not have a direct impact on the current rates of DECORP until approved by the Honorable Commission as part of DECORP's Regulatory Asset Base in its next regulatory reset application under Performance Based Regulation.
10. A detailed description for each of the projects are attached hereto as part of the specific projects' annex and are made integral parts of this Application.
11. In support of this Application, the Applicant has attached the following supporting documents for each project:

Schedule	Description
1-9	Executive Summary ¹
10-L	Project Discussion
1	Construction of 20/25 MVA, 69kV/13.8Kv San Fabian Substation
2	Construction of 69kV Sub-transmission Expansion from Pantal to Tempra-Guilig, San Fabian (Line Extension) using Single 795MCM ACSR Conductor per phase
3	Construction of 69kV Sub-transmission Line from Sapang, Sta. Barbara to Erfe, Sta. Barbara (Line Expansion)
4	Distribution Rehabilitation (Line Revamp)
5	Distribution Rehabilitation (Line Revamp) Related to DPWH Projects
6	Primary Line Revamp at Babasit-Pugaro, Manaoag

¹ The Executive Summary contains the following Annexes:

- A -RA 9969 franchise
- B -DECORP CPCN
- C -69kv Supply Scheme
- D -Customer Volume
- E -Calasiao Substation Single Line Diagram
- F -San Jacinto Substation Single Line Diagram
- G -Dagupan Substation Single Line Diagram
- H -San Fabian Substation Single Line Diagram
- I -Certificate of Compliance to the PDC
- J -Sworn Statement
- K -Gantt Chart
- L - Detailed Discussion of each CAPEX Project (same as Schedules)

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7	Rehabilitation of Labrador-Binmaley-Calasiao 69kV Sub-transmission Line
8	Distribution Line Devices
9	Substation Protective Equipment
10	Rehabilitation of Distribution Utilities Acquired from LUELCO
11	Network Reinforcement
12	Grounding/Earthing Improvement
13	Insulation-Coordination Improvement
14	Street Lighting Requirement
15	Tools, shop, safety gadgets and garage equipment
16	Laboratory Equipment
17	Feeder Development Phase 1
18	Primary Line Expansion from Lipit–Tomeeng to Bolaen, San Fabian
19	Distribution Expansion (Line Extension)
20	Service Drops
21	Distribution line transformers
22	Meters, metering instruments, and metering transformers
23	Materials and Supplies (Including Spares
24	Acquisition of LUELCO Distribution Facilities Serving Barangays of San Jacinto and San Fabian
25	Primary Line Expansion with Load Splitting at Ayusip Road, Bonuan Boquig, Dagupan City
26	Transportation
27	Information system equipment
28	Office furniture and equipment
29	Buildings and Grounds Improvements
30	Communication Equipment

12. The approval of the foregoing capital projects will ensure that the customers of DECORP will be served continuously and reliably in accordance with the standards under the Philippine Distribution Code (PDC) and other regulatory obligations as well as the approved Performance Level Targets for

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DECORP's Performance Incentive Scheme (PIS) under Performance Based Regulation (PBR).

PRAYER

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

MAJOR PROJECTS

Schedule	Description	RY 2020	RY 2021	RY 2022
1	Construction of 20/25 MVA, 69kV/13.8Kv San Fabian Substation	-	90,755,847.43	-
2	Construction of 69kV Sub-transmission Expansion from Pantal to Tempa-Guilig, San Fabian (Line Extension) using Single 795MCM ACSR Conductor per phase	-	61,915,181.66	-
3	Construction of 69kV Sub-transmission Line from Sapang, Sta. Barbara to Erfe, Sta. Barbara (Line Expansion)	-	-	54,966,225.01
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8	Distribution Line Devices	3,330,011.63	5,273,083.11	-
9	Substation Protective Equipment	294,642.86	1,366,071.43	-
10	Rehabilitation of Distribution Utilities Acquired from LUELCO	338,225.47	9,669,877.48	10,985,023.47
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15	Tools, shop, safety gadgets	466,464.29	299,375.01	563,366.07

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	and garage equipment			
16	Laboratory Equipment	34,375	28,571.43	484,389.29
17	Feeder Development Phase 1	-	2,545,226.41	-
18	Primary Line Expansion from Lipit–Tomeeng to Bolaen, San Fabian	245,943.82	5,371,950.27	-
19	Distribution Expansion (Line Extension)	18,183,903.19	15,719,935.03	25,167,414.92
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30	Communication Equipment	-	-	254,978.57
	SUB TOTAL	148,028,822.55	183,828,606.40	187,125,362.18
	GRAND TOTAL	148,028,822.55	336,499,635.49	242,091,587.19
	TOTAL FOR ALL YEARS			726,620,045.23

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

The Commission hereby sets the instant *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-Trial Conference, and presentation of evidence on **11 December 2024 (Wednesday) at nine o'clock in the morning (9:00 A.M.)**, through **MS Teams Application** as the online platform for the conduct thereof, pursuant to Resolution No. 09,

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Series of 2020² and Resolution No. 01, Series of 2021³ (ERC Revised Rules of Practice and Procedure):

Accordingly, DECORP is hereby directed to host the virtual hearing at **DECORP's principal office located at VFL Building, A.B. Fernandez West, Poblacion Oeste, Dagupan City**, as the designated venue for the conduct thereof, and ensure that the same is open to the public. Moreover, DECORP shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

Any interested stakeholder may submit its comments and/or clarifications at **least one (1) calendar day** prior to the scheduled virtual hearing, via electronic mail (e-mail) at docket@erc.ph, and copy furnish the Legal Service through legal@erc.ph. The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

Moreover, all persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at docket@erc.ph, and copy furnishing the Legal Service through legal@erc.ph, a verified Petition to Intervene at **least five (5) calendar days** prior to the date of the virtual hearing. The verified Petition to Intervene must follow the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicate therein the docket number and title of the case, and state the following:

- 1) The petitioner's name, mailing address, and e-mail 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.

² A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

³ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may file through e-mail at docket@erc.ph, and copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment thereon at **least five (5) calendar days** prior to the virtual hearing. Rule 9 of the ERC Revised Rules of Practice and Procedure shall govern. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

- 1) The name, mailing address, and e-mail address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

All interested parties filing their Petition to Intervene, Opposition or Comment are required to submit the hard copies thereof through personal service, registered mail or ordinary mail/private courier, **within five (5) working days** from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission.

Any of the person mentioned in the preceding paragraphs may access the copy of the *Application* on the Commission's official website at www.erc.gov.ph.

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Finally, all interested persons may be allowed to join the scheduled virtual hearing by providing the Commission, thru legal.virtualhearings@erc.ph, their respective e-mail addresses and indicating therein the case number of the instant *Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

WITNESS, the Honorable Chairperson and CEO **MONALISA C. DIMALANTA**, and Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL**, and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 04th day of November 2024 in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:


KRIZIA MARIE T. BUELA
Director III, Legal Service


LS: JSC/LSP