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Republic of the Philippines  
ENERGY REGULATORY COMMISSION  
Pacific Center Building, San Miguel Avenue  
Ortigas Center, Pasig City

PETITION FOR THE AVAILMENT  
OF THE NATIONAL POWER  
CORPORATION'S (NPC)  
STRANDED CONTRACT COSTS  
(SCC) PORTION OF THE  
UNIVERSAL CHARGE (UC) FOR  
CALENDAR YEAR (CY) 2017 AND  
TRUE-UP ADJUSTMENTS OF  
THE NPC SCC PORTION OF THE  
UC FOR CYs 2007-2013, WITH  
PRAYER FOR PROVISIONAL  
AUTHORITY

ERC CASE NO. 2018- 088-RC

POWER SECTOR ASSETS AND  
LIABILITIES MANAGEMENT  
(PSALM) CORPORATION

*Petitioner.*

X ----- X



PETITION

Petitioner **POWER SECTOR ASSETS AND LIABILITIES  
MANAGEMENT CORPORATION** (hereinafter, "PSALM"), by  
counsel, respectfully states:

**I.  
NATURE OF THE PETITION**

1. This is a Petition for the availment from the Universal Charge (hereinafter, "UC") of the National Power Corporation's (hereinafter, "NPC") Stranded Contract Costs (hereinafter, "SCC") for Calendar Year (hereinafter, "CY") 2017 and submission of the True-Up Adjustment of the NPC SCC Portion of the UC for CYs 2007-2013 pursuant to Republic Act No. 9136 or the "Electric Power Industry

Reform Act of 2001" (hereinafter, "EPIRA"), its Implementing Rules and Regulations (hereinafter, "EPIRA-IRR") and the Amended Rules for Recovery of NPC Stranded Contract Costs and Stranded Debts Portion of the Universal Charge (hereinafter, "Amended Rules for Recovery") as adopted by the Energy Regulatory Commission (hereinafter, "ERC") Resolution No. 02-2011 dated 07 February 2011.

2. Section 4(b), Rule 18 of the EPIRA-IRR provides that petitions for availment under the UC for the succeeding years shall be submitted to the Honorable Commission on or before 15 March of every year.

3. Under Article IV, Section 9 of the Amended Rules for Recovery, PSALM shall file the petition for availment from the UC for NPC's SCC in accordance with Section 4 (e), Rule 3 of the EPIRA-IRR and the Honorable Commission's Rules of Practice and Procedure.

4. Under Article II of the Amended Rules of Recovery, true up adjustments of the UC for NPC SCC for subsequent years shall be submitted to the Honorable Commission on or before the 15<sup>th</sup> of March every year thereafter. True up adjustments shall be done on an annual basis to be initiated by Petitioner through submission of the Variance Analysis Report (hereinafter, "VAR")<sup>1</sup> certified by an Independent Third Party auditor on or before the 15<sup>th</sup> day of March of every year.<sup>2</sup>

## II. TIMELINESS OF THE PETITION

5. In a letter dated 02 February 2018, Petitioner requested for an extension of the deadline to file/submit, among others, the : (i) the petition for the availment of the UC-SCC for CY 2017, (ii) the true-up adjustment of the UC-SCC for CYs 2007-2010; and (iii) the update/VAR on the implementation of the UC-SCC for CYs 2011-2013, from 15 March 2018 to 31 July 2018, on the ground that the 15 March original deadline is no longer feasible considering that the CY 2017 certified financial statements of PSALM which serve as the bases in calculating the UC-SCC is still subject for approval of the PSALM Board of Directors and the data contained in the financial statement needs to be analyzed and processed to identify and properly classify the components that are eligible for recovery under the UC-SCC. In a letter dated 13 March 2018, the Honorable Commission granted

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<sup>1</sup> Article VIII, Amended Rules for Recovery

<sup>2</sup> Article VIII, Section 1, Amended Rules for Recovery

Petitioner's request and directed it to file/submit the UC-SCC petition for CY 2017, true-up adjustments for CYs 2007-2010 and update/VAR on the implementation of the UC-SCC for CYs 2011-2013 on or before 31 July 2018. Copies of the said letter request for extension and the approval of the Honorable Commission are attached hereto and made integral parts hereof as Annexes "A" and "B", respectively.

6. Hence, the instant Petition and True-Up Adjustments is timely filed/submitted.

### III. PETITIONER

7. Petitioner is a government-owned and controlled corporation created by virtue of the EPIRA, with principal office address at 3/F National Transmission Corporation Building, Power Center, Quezon Avenue corner BIR Road, Diliman, Quezon City. It may be served with notices, orders, and other processes of the Honorable Commission through the undersigned counsel with office address of PSALM.

8. The principal mandate of Petitioner is to manage the orderly sale, disposition, and privatization of NPC generation assets, real estate and other disposable assets, and Independent Power Producer (hereinafter, "IPP") contracts with the objective of liquidating all NPC financial obligations and stranded contract costs in an optimal manner.<sup>3</sup> To attain its objectives, Petitioner shall, among others: (i) calculate the amount of the stranded contract costs of NPC which shall form the basis for the Honorable Commission in the determination of the universal charge, and (ii) liquidate the NPC stranded contract costs, utilizing the proceeds from sales and other property contributed to it, including the proceeds from the universal charge.<sup>4</sup>

### IV. NPC'S STRANDED CONTRACT COSTS

9. Stranded Contract Costs of NPC refer to the "excess of the contracted cost of electricity under eligible contracts over the actual selling price of the contracted energy output of such contracts in the market." Market as defined in the Amended Rules for Recovery refers to the "Wholesale Electricity Spot Market (WESM) where electricity

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<sup>3</sup> Sec. 50, EPIRA

<sup>4</sup> Sec. 51, EPIRA

traded includes, but is not limited to, Spot Sales, Transition Supply Contracts (TSCs), Bilateral Contracts, One Day Power Sale (ODPS), Default Wholesale Supplier (DWS) service, and Ancillary Services.”<sup>5</sup> To be eligible for recovery under the UC, such contracts shall have been approved by the Energy Regulatory Board (hereinafter, “ERB”) as of 31 December 2000.<sup>6</sup>

10. For purposes of the UC-SCC calculation, IPP Contracts of NPC eligible for recovery under the UC-SCC (hereinafter, “Eligible IPP Contracts”) shall refer to “generation capacities developed under the Build-Operate-Transfer scheme and any such generation asset whose construction was not financed by NPC but whose output is bought by NPC under Purchase Power Agreements (PPAs), Energy Conversion Agreements (ECAs) or any other similar contractual relationship. The IPP Contracts shall also include Rehabilitate Operate Lease (ROL) and Rehabilitate Operate Maintain types of IPP Contracts.”<sup>7</sup> In accordance with Section 32 of the EPIRA, only contracts duly approved by the ERB as of 31 December 2000 shall be entitled for recovery through the UC-SCC.

11. On 26 December 2010, the commercial operation of the WESM in the Visayas Grid and its integration with the Luzon Grid commenced.<sup>8</sup>

12. Based on the above definition and for the purpose of this filing, the following are the Eligible IPP Contracts, which are eligible for recovery under UC-SCC:

- a. Benguet Mini-Hydros (Ampohaw and Bakun);
- b. Pagbilao I & II;
- c. Sual I & II; and
- d. Unified Leyte (Leyte A and B)

13. The annual UC-SCC shall be computed as the difference between the Gross Annual Contract Costs (hereinafter, “GACC”) and combined amounts derived from the Revenues from the Sale of Contracted Energy of Eligible IPP Contracts (hereinafter, “RSCE”) and the Privatization proceeds of the Eligible IPP Contracts (hereinafter, “PP”).<sup>9</sup>

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<sup>5</sup> Article I, Section 2, Amended Rules for Recovery

<sup>6</sup> Sec. 4 [uu] and Sec. 32, EPIRA

<sup>7</sup> Article III, Amended Rules for Recovery

<sup>8</sup> DOE Department Circular No. 2010-11-0012

<sup>9</sup> Article IV, Section 6 in relation to Sections 3, 4 and 5, Amended Rules for Recovery

**IV - A.**  
**GROSS ANNUAL CONTRACT COSTS**

14. For purposes of this filing, the GACC is composed of capacity fees, fixed operating and maintenance fee (hereinafter, "FOM")-other power supply (hereinafter, "OPS"), other Operating Expenses (hereinafter, "OPEX"), variable-OPS (when purchased power cost varies with volume of energy), and energy purchased from Philippine Electricity Market Corporation (hereinafter, "EPFP").

15. For CY 2017, the GACC amounted to a total of PhP34.029 Billion with details as follows:

<b>GACC Component</b>	<b>Benguet Mini-Hydros (in PhP)</b>	<b>Unified Leyte (in PhP)</b>	<b>Pagbilao (in PhP)</b>	<b>Sual (in PhP)</b>	<b>TOTAL (in PhP)</b>
Capacity Fees	-	-	9,564,078,157.27	8,268,288,013.15	17,832,366,170.42
FOM-OPS	-	6,918,356,436.62	1,503,494,836.59	1,349,139,884.02	9,770,991,157.23
Other OPEX	1,026,240.27	76,418,867.78	76,146,941.91	120,143,363.04	273,735,413.00
<b>Sub-Total, Fixed Fees</b>	<b>1,026,240.27</b>	<b>6,994,775,304.40</b>	<b>11,143,719,935.77</b>	<b>9,737,571,260.21</b>	<b>27,877,092,740.65</b>
Variable - OPS	569,720,636.73	4,413,926,377.46	668,005,395.37	462,396,488.21	6,114,048,897.77
EPFP (to meet TSC)	37,470,424.36	-	-	-	37,470,424.36
EPFP (Station Use)	0.37	815,628.48	-	-	815,628.85
<b>Sub-Total, Variable Fees</b>	<b>607,191,061.46</b>	<b>4,414,742,005.94</b>	<b>668,005,395.37</b>	<b>462,396,488.21</b>	<b>6,152,334,950.98</b>
<b>TOTAL</b>	<b>608,217,301.73</b>	<b>11,409,517,310.34</b>	<b>11,811,725,331.14</b>	<b>10,199,967,748.42</b>	<b>34,029,427,691.63</b>

Table 1. Gross Annual Contract Costs

16. For Benguet Mini Hydros, the components of GACC were lifted from the Operating Results of Eligible IPPS or Results of Operation (hereinafter, "ROO"). As to Unified Leyte, the FOM-OPS was lifted from the ROO, the Variable-OPS was sourced from the monthly IPP payment vouchers less the FOM-OPS, while Other OPEX was lifted from the ROO and Other OPEX of Eligible Plants under IPP Administrator Agreement (hereinafter, "IPPAA"). For Sual and Pagbilao, which are under IPPAA, components of GACC were sourced from the monthly IPP payment vouchers and Other OPEX of Eligible Plants under IPPA. Copies of the ROO, Summary of Fixed and Variable Costs of Eligible IPPs under IPPAA and Other OPEX of Eligible Plants under IPPAA are attached hereto and made integral parts hereof as Annexes "C," "D" and "E," respectively.

**IV- B.  
 REVENUES FROM THE SALE OF CONTRACTED ENERGY  
 OF ELIGIBLE IPP CONTRACTS**

17. For purposes of this filing, the RSCE refers to the following sources of revenue: (i) Sales in WESM, including net settlement surplus (hereinafter, "NSS"); and (ii) Sales under Transition Supply Contracts (hereinafter, "TSC"), including penalties imposed on customers which drew power lower than or in excess of their contracted level of energy.

18. For CY 2017, the RSCE amounted to a total of PhP5.333 Billion with details as follows:

<b>RSCE Component (in PhP)</b>	<b>Benguet Mini- Hydros (in PhP)</b>	<b>Unified Leyte (in PhP)</b>	<b>TOTAL (in PhP)</b>
Sales in WESM	319,474,554.90	4,895,364,190.65	5,214,838,745.55
Sales in TSC	95,340,556.94	22,762,299.53	118,102,856.47
<b>Total</b>	<b>414,815,111.84</b>	<b>4,918,126,490.18</b>	<b>5,332,941,602.02</b>

Table 2. Revenues from the Sale of Contracted Energy

19. Components of the RSCE were lifted from the Net Utility Revenue portion of the ROO. RSCE excludes the Power Act Reduction and Prompt Payment Discount adjustments which have been disallowed for recovery by the Honorable Commission in its Decision dated 28 January 2013 in ERC Case No. 2011-091 RC.

**IV - C.  
 PROCEEDS FROM PRIVATIZATION OF ELIGIBLE IPP  
 CONTRACTS**

20. For purposes of this filing, the PP includes cash inflows arising from the IPPAA, namely, monthly payments and generation payments/energy fee of Unified Leyte Strips, Pagbilao and Sual IPP Administrators. This also includes the forfeiture of Performance Bond in relation to the termination of IPPAA between FDC Utilities, Inc. and PSALM for 40 MW UL Strips on 04 September 2017.

21. For CY 2017, PP amounted to a total of PhP23.468 Billion with details as follows:

Privatization Proceeds	Unified Leyte (in PhP)	Pagbilao (in PhP)	Sual (in PhP)	Total (in PhP)
Monthly Payments of IPPA	-	6,936,051,228.16	7,593,314,684.32	14,529,365,912.48
Forfeiture of Performance Bond	151,200,200.00	-	-	151,200,200.00
Generation Payments/Energy Fee	7,656,123,656.62	668,683,219.34	462,434,744.71	8,787,241,620.67
<b>TOTAL</b>	<b>7,807,323,856.62</b>	<b>7,604,734,447.50</b>	<b>8,055,749,429.03</b>	<b>23,467,807,733.15</b>

Table 3. Privatization Proceeds

22. For Pagbilao and Sual, Monthly Payments from its IPPAs which are Therma Luzon, Inc. and San Miguel Energy Corporation, respectively, were lifted from the Schedule of IPPAA Monthly Payment while Energy Fees are based on the Summary of IPPA Billings-Energy Fees. For Unified Leyte, Generation Payments from its IPPAs or the Strip Owners which are Aboitiz Energy Solutions, Inc., FDC Utilities, Inc., Good Friends Hydro Resources Corporation, Phinma Energy Corporation, Unified Leyte Geothermal Energy, Inc., Vivant Energy Corporation and Waterfront Mactan Casino Hotel, Inc. were lifted from the Summary of IPPA Billings - UL Strips Generation Payments.

23. Copy of the IPPAA Monthly Payments of Eligible Plants for SCC calculation is attached hereto and made an integral part hereof as **Annex "F"**, the IPPAA Monthly Payments of Eligible Plants as **Annex "F-1"** and the VAT on Privatization Proceeds as **Annex "F-2"**. Copies of the Summary of IPPAA Billings-UL Strips Generation Payments and Summary of IPPA Billings-Energy Fees are attached hereto as **Annexes "G"** and **"H"**, respectively.

24. The PP is net of Value Added Tax (hereinafter, "VAT"), consistent with the Bureau of Internal Revenue (BIR) Revenue Memorandum Circular No. 11-2012<sup>10</sup> which states, among others, that: "[c]onsidering that the sale of electricity is now subject to VAT, the real properties sold by PSALM are regarded as real properties *used in the trade or business*. While it is clear under the Tax Code of 1997 that such sale is not subject to income tax, there is no provision under the same Code that exempts it from VAT nor subject it to VAT at zero rate."

25. Considering further that the IPPAAs between PSALM and the IPP Administrators provide that, "[i]n the event that the Monthly Payments are determined with finality to be subject to value added tax, all applicable value added tax on such payments shall be for the

<sup>10</sup> Tax Consequences of Power Sector Assets and Liabilities Management Corporation (PSALM) Transactions

account of PSALM...", for purposes of SCC calculations, the IPP Administrator Monthly Payments received by PSALM were reduced by the VAT shouldered by PSALM.

## V. NPC's STRANDED CONTRACT COSTS

26. Based on the foregoing, the SCC for CY 2017 amounts to PhP5.229 Billion computed as the difference between the GACC and the combined amounts derived from the RSCE and PP, with details as follows:

2017 UC-SCC	Benguet Mini-Hydros (in PhP)	Unified Leyte (in PhP)	Pagbilao (in PhP)	Sual (in PhP)	TOTAL (in PhP)
GACC	608,217,301.73	11,409,517,310.34	11,811,725,331.14	10,199,967,748.42	34,029,427,691.63
Less: RSCE	414,815,111.84	4,918,126,490.18	-	-	5,332,941,602.02
Less: PP	-	7,807,323,856.62	7,604,734,447.50	8,055,749,429.03	23,467,807,735.15
<b>SCC</b>	<b>193,402,189.89</b>	<b>(1,315,933,036.46)</b>	<b>4,206,990,883.64</b>	<b>2,144,218,319.39</b>	<b>5,228,678,356.46</b>

Table 4. Details of Stranded Contract Cost

27. Consistent with the Honorable Commission's Decision in ERC Case No. 2011-091 RC mentioned above, wherein the Honorable Commission used four (4) years' forecast of electricity sales based on the Department of Energy's (hereinafter, "DOE") Power Development Plan (hereinafter, "PDP") in determining the four (4) year 2007-2010 UC-SCC rate, the UC-SCC rate for CY 2017 is derived by dividing the calculated CY 2017 SCC by one (1) year Electricity Sales Forecast for CY 2019 based on the PDP (2016-2030). The calculated SCC rate is PhP0.0582/kWh with details as follows:

UC-SCC For CY 2016 (in PhP)	Energy Sales Forecast (GWh)	UC-SCC Rate (PhP/kWh)
5,228,678,356.46	89,767	0.0582

Table 5. UC-SCC for CY 2017

28. A copy of the Electricity Sales Forecast, PDP (2016-2030) as sourced from the DOE is attached hereto and made an integral part hereof as Annex "I".

## VI. VARIANCE ANALYSIS REPORT FOR CYs 2007-2013

29. Article VIII of the Amended Rules for Recovery provides, among others, that true-up adjustments shall be done on an annual



basis to be initiated by Petitioner through submission to the Honorable Commission of a detailed VAR certified by an Independent Third Party auditor. The VAR shall be the basis by which the Honorable Commission will approve inclusion of any under recovery in the current year's level of UC-SCC or mandate a reimbursement due to over recovery by way of reduction in the current year's level of UC-SCC.<sup>11</sup>

30. Under Section 2, Article VIII of the Amended Rules for Recovery, the VAR to be submitted by the Petitioner to the Honorable Commission for the UC-SCC recovery shall contain, at the minimum, the following:

- a. The variance analysis that would show a positive or negative Quantity Variance (hereinafter, "QV"), which refers to the difference between the energy sales used in determining the ERC-approved level of NPC SCC in PhP/kWh (billing determinant) and the actual energy (kWh) sales to end-users; and
- b. The over or under recovery for the stranded contract costs which shall be calculated by multiplying the QV by the PhP/kWh SCC approved by the ERC.

#### VI - A.

#### CYS 2007-2010 UC-SCC QV AND UNDER/(OVER) RECOVERY FOR THE REMITTANCE PERIOD 01 APRIL 2013 - 31 JULY 2017

31. In the Honorable Commission's Decision dated 28 January 2013 in ERC Case No. 2011-091 RC<sup>12</sup>, Petitioner was authorized to recover the total UC-SCC for CYs 2007-2010 amounting to PhP53.851 Billion, equivalent to PhP0.1938/kWh for the Luzon, Visayas and Mindanao Grids, to be collected from the consumers starting March 2013 billing period (26 February 2013 - 25 March 2013).

32. The billing determinant utilized by the Honorable Commission is 277,875 GWh, which corresponds to the four (4) year electricity sales under the DOE's PDP.

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<sup>11</sup> Section 1

<sup>12</sup> In the Matter of the Petition for the Recovery of NPC's SCC Portion of the UC, With Prayer for Provisional Authority

33. On 22 February 2017, Petitioner filed an Urgent Motion for the continuous implementation of the ERC-approved UC-SCC for CYs 2007-2010 considering that there is still an under recovery amounting to PhP5,476,093,375.50 as of 15 February 2017 which is the end of the four (4)-year implementation of UC- SCC for CYs 2007-2010. Further, uninterrupted implementation of the UC-SCC rate would ensure continuous revenue streams for Petitioner; otherwise, Petitioner may be forced to resort to borrowings to finance portion of its maturing obligations which cannot be covered by its privatization proceeds and revenues from operations.

34. The Honorable Commission, in its Order dated 06 March 2017, granted Petitioner's Motion and authorized Petitioner to continuously implement the UC-SCC rate of PhP0.1938/kWh until the approved amount of PhP53.851 Billion UC-SCC is fully recovered.

35. For the period 01 April 2013 to 31 July 2017, the total UC-SCC remittances made by the collecting entities to Petitioner amounted to PhP54,350,777,897.18 with an equivalent energy sales billed/remitted of 280,453.89 GWh which was derived by dividing the remittance amount of PhP54,350,777,897.18 by the ERC-approved UC-SCC rate of PhP0.1938/kWh (PhP53.851 Billion/277,875 GWh).

36. In accordance with the Amended Rules for Recovery, the QV, calculated as the difference between the billing determinant (277,875.00 GWh) and the equivalent energy sales billed/remitted (280,453.89 GWh), is negative 2,578.89 GWh.

37. The under/over recovery, pursuant to the Amended Rules for Recovery, is calculated by multiplying the QV of negative 2,578.89 GWh by the PhP0.1938/kWh SCC rate approved by the Honorable Commission (PhP53.851 Billion/277,875.47 GWh). The result is an over recovery of PhP499,777,897.18 for the CYs 2007-2010 UC-SCC for the period of 01 April 2013 to 31 July 2017, with details as follows:

PARTICULARS	QUANTITY VARIANCE (GWh)	AMOUNT (PhP)	RATE (PhP/kWh)
Billing Determinant and Approved Level of CYs 2007-2010 UC-SCC	277,875.00	53,851,000,000.00	0.1938
Less: Energy Sales Billed/Remitted covering 1 April 2013 to 31 July 2017 Remittance Period	280,453.89	54,350,777,897.18	0.1938
<b>True-Up Adjustments/Under or (Over) Recovery</b>	<b>(2,578.89)</b>	<b>(499,777,897.18)</b>	<b>0.1938</b>

Table 6. CYs 2007-2010 UC-SCC VAR

**VI - B.**  
**CYS 2011-2013 UC-SCC QV AND UNDER/(OVER) RECOVERY**  
**FOR THE REMITTANCE PERIOD 01 AUGUST 2017 - 31**  
**DECEMBER 2017**

38. In the Honorable Commission's Decision dated 06 July 2017 in ERC Case Nos. 2013-160 RC<sup>13</sup> and 2014-111 RC<sup>14</sup>, Petitioner was authorized to recover the UC-SCC for CYs 2011-2013 amounting to PhP12.878 Billion, at the rate of PhP0.1938/kWh for the Luzon, Visayas and Mindanao Grids to be collected from the consumers for a period of ten (10) months starting July 2017 billing period (26 June 2017 - 25 July 2017).

39. The equivalent billing determinant of the ERC-approved CYs 2011-2013 UC-SCC is 66,449.17 GWh which was derived by dividing the approved amount of PhP12,877.85 Million by the rate of PhP0.1938/kWh.

40. Section 3, Article VII of the Amended Rules for Recovery provides that "[i]n the event that the total amount collected for the NPC SCC is greater than actual disbursements from the proceeds of the corresponding share in the UC, PSALM shall retain the balance within the specific Special Trust Fund to pay for periods where a shortfall occurs. However, in cases where over-recovery occurs, PSALM shall use the previous year's plus amount to reduce the corresponding required NPC SCC in the UC for the current year."

41. Considering that the remittance of UC-SCC for CYs 2007-2010 posted an over-recovery amounting to PhP499,777,897.18, said over-recovery was used to reduce the CYs 2011-2013 UC-SCC from PhP12,877,850,000.00 to PhP12,378,072,102.82. Accordingly, the billing determinant for the CYs 2011-2013 UC-SCC was also reduced from 66,449.17 GWh to 63,870.28 GWh.

42. For the period 01 August 2017 to 31 December 2017, the total UC remittances made by the collecting entities to Petitioner amounted to PhP6,424,786,029.55 with an equivalent energy sales billed/remitted of 33,151.63 GWh which was derived by dividing the remittance amount of PhP6,424,786,029.55 by the ERC-approved UC-SCC rate of PhP0.1938/kWh.

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<sup>13</sup> Petition for True-Up Adjustments for the NPC's SCC Portion of the UC for CYs 2011 and 2012

<sup>14</sup> Petition for the Availment of the NPC's SCC Portion of the UC for CY 2013 and True-Up Adjustments for the NPC's SCC Portion of the UC for CYs 2007-2010

43. In accordance with the Amended Rules for Recovery, the QV, calculated as the difference between the billing determinant (63,870.28 GWh) and the equivalent energy sales billed/remitted (33,151.63), is 30,718.65 GWh.

44. The over/under recovery pursuant to the Amended Rules for Recovery, is calculated by multiplying the QV of 30,718.65 GWh by the PhP0.1938/kWh SCC rate approved by the Honorable Commission; thus, resulting to an under-recovery for the CYs 2011-2013 UC-SCC amounting to PhP5,953,286,073.27, details of which are shown below:

PARTICULARS	QUANTITY VARIANCE (GWh)	AMOUNT (PhP)	RATE (PhP/kWh)
Billing Determinant and Approved Level of CYs 2011-2013 SCC	66,449.17	12,877,850,000.00	0.1938
Less: Over Recovery from CYs 2007-2010 UC-SCC Remittances	2,578.89	499,777,897.18	0.1938
<b>UC-SCC for CYs 2011-2013</b>	<b>63,870.28</b>	<b>12,378,072,102.82</b>	<b>0.1938</b>
Less: Energy Sales Billed/Remitted covering 01 August 2017 to 31 December 2017 Remittance Period	33,151.63	6,424,786,029.55	0.1938
<b>True-Up Adjustment/Under or (Over) Recovery</b>	<b>30,718.65</b>	<b>5,953,286,073.27</b>	<b>0.1938</b>

Table 7. CYs 2011-2013 UC-SCC VAR

45. A copy of the detailed VAR for the UC-SCC for CYs 2007-2013 covering the period 01 April 2013 to 31 December 2017, certified by the Commission on Audit, is attached hereto and made an integral part hereof as **Annex "J"**.

46. In compliance with Section 4(e) of Rule 3 of the EPIRA-IRR and Rule 6 of the ERC Resolution No. 38-2006, a copy of the instant Petition (including Annexes) was furnished the Sangguniang Panlungsod of Quezon City. A copy of the Certification of Posting/Affidavit of Service is attached hereto and made an integral part hereof as **Annex "K"**. The Petition (excluding Annexes) was also published in a newspaper of general circulation. A copy of the Affidavit of Publication is attached hereto and made an integral part hereof as **Annex "L"**.

**VII.**  
**ALLEGATIONS IN SUPPORT OF**  
**THE ISSUANCE OF PROVISIONAL AUTHORITY**

47. The instant petition covers the UC-SCC for CY 2017. The issuance of provisional authority for this petition would enable PSALM to immediately recover SCC, and use the UC-SCC proceeds to service maturing loan obligations that were incurred for the eligible IPP contracts. Provisional approval of this SCC will also reduce refinancing requirements of PSALM to service these maturing obligations, thus lessening additional borrowing costs.

48. Pursuant to the Honorable Commission's Rules of Practice and Procedure, the Honorable Commission may exercise its discretion by granting provisional authority (hereinafter, "PA") or interim relief prior to a final decision.

49. In support of the prayer for the issuance of Provisional Authority, the Affidavit of Ms. Luisa A. Esteban, Manager of Petitioner's Universal Charge and Administration Department, establishing certain facts and circumstances that would justify the Honorable Commission's exercise of discretion by granting PA or interim relief prior to a final decision is attached hereto and made an integral part hereof as **Annex "M"**.

50. It is understood that the interim relief sought by Petitioner, that may be granted by the Honorable Commission, shall be subject to adjustments and other conditions that the Honorable Commission may impose after hearing and final determination of the Honorable Commission.

**PRAYER**

**WHEREFORE**, premises considered, Petitioner respectfully prays, after due notice and hearing, for the **APPROVAL** of the following:

1. The calculated NPC SCC Portion of the UC for CY 2017 in the amount of PhP5,228,678,356.46, which is equivalent to PhP0.0582/kWh covering a one-year recovery period;

2. The True-Up Adjustment of the NPC SCC Portion of the UC for CYs 2007-2013 which resulted to an under recovery in the amount of PhP5,953,286,073.27 for the remittance period 01 April 2013 to 31 December 2017.
3. Provisional Authority or interim relief allowing Petitioner to charge and collect the computed NPC SCC Portion of the UC for CY 2017 or such amount determined by the Honorable Commission.

Other reliefs just and equitable are likewise prayed for.

Quezon City for Pasig City, 24 July 2018.



**GEOFFRY D. MASANCAY**

*OIC, Office of the Vice President and General Counsel*  
IBP No. 025765 (01-09-18, Quezon City)  
MCLE Compliance No. V-0012426 (12-10-15)  
Roll of Attorney No. 52696

**MARIA ILYN C. GERONIMO-ALBITO**

*OIC-Corporate Legal Counsel*  
IBP No. 025766 (01-09-2018, RSM)  
MCLE Compliance No. V-0012416 (12-10-2015)  
Roll of Attorney No. 58287



**LALAINÉ MAE C. PARLADE**

*OIC-Corporate Legal Counsel*  
IBP Lifetime No. 012817  
MCLE Compliance No. V-0021249 (04-14-2016)  
Roll of Attorney No. 63192



**PATERNO S. AQUINO, JR.**

*Corporate Attorney*  
IBP Lifetime No. 016963 (05-15-2017)  
MCLE Compliance No. VI-0004732 (12-08-2017)  
Roll of Attorney No. 68011

**POWER SECTOR ASSETS AND LIABILITIES  
MANAGEMENT CORPORATION**

3/F National Transmission Corporation Building,  
Power Center, Quezon Avenue corner BIR Road,  
Diliman, Quezon City Telefax No. (+632) 840-3960  
Email address: [mardelacruz@psalm.gov.ph](mailto:mardelacruz@psalm.gov.ph)


(Republic of the Philippines )  
(Quezon City ) S.S.

VERIFICATION AND CERTIFICATION

I, **IRENE JOY BESIDO - GARCIA**, of legal age, married, with office address at the Power Sector Assets and Liabilities Management (PSALM) Corporation, 3/F National Transmission Corporation Building, Power Center, Quezon Avenue corner BIR Road, Diliman, Quezon City, after having been duly sworn to in accordance with law, do hereby depose and state for myself and for PSALM, that:

- (1) I am the designated President and Chief Executive Officer of the Power Sector Assets and Liabilities Management (PSALM) Corporation with authority to commence, initiate, sign and file the foregoing Petition for the Stranded Contract Costs pursuant to PSALM Board Resolution No. 2018-0619-03 dated 19 June 2018;
- (2) I have read the Petition and the allegations therein are true and correct based on my personal knowledge or the authentic records available to PSALM;
- (3) I or PSALM have not commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals or any court, tribunal, or quasi-judicial agency and, to the best of my knowledge, no such other action or claim is pending therein; and
- (4) If I or PSALM should hereinafter learn that the same or a similar action or claim has been filed or is pending in the Supreme Court, the Court of Appeals or any court, tribunal, or quasi-judicial agency, I shall report the said fact within five (5) days from discovery thereof to the Honorable Commission.

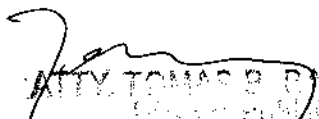
**JUL 27 2018** July 2018, Quezon City, Philippines.

  
**IRENE JOY BESIDO - GARCIA**  
 Affiant  
**JUL 27 2018**

**SUBSCRIBED and SWORN TO** before me this \_\_\_\_ day of July 2018, with affiant **IRENE JOY BESIDO - GARCIA** presenting to me her Philippine Passport I.D. No. EC203, issued at DFA Manila on 03 September 2014, valid until 02 September 2019, known to me and to me known to be the same person who executed the foregoing Verification and Certification.

**NOTARY PUBLIC**

Doc. No. 01 ;  
Page No. 20 ;  
Book No. XIX ;  
Series of 2018.

  
**ATTY. TOMAS B. P. CO. JR.**  
 ADM. NO. 1240 (2012-2019)  
 UNTIL DECEMBER 31, 2019  
 ATTYS. REG. NO. 1240  
 IBPNOC 1240-1240-19  
 PTR NO. 1240/1240-19  
 MOBILE NO. 09208974724  
 NATIONAL NOTARY PUBLIC, Q.C.  
 CELL # 09208974724





POWER SECTOR  
ASSETS & LIABILITIES  
MANAGEMENT CORPORATION



Management  
System  
ISO 9001:2015



www.tuv.com  
ID 9105076059

## SECRETARY'S CERTIFICATE

I, MARIA BELEN P. MONTES-NERA, of legal age, Filipino, and with office address at 3<sup>rd</sup> Floor, National Transmission Corporation (TransCo) Building, Power Center, BIR Road corner Quezon Avenue, Diliman, Quezon City 1101, hereby certify that:

1. I am the duly appointed Corporate Secretary of the Power Sector Assets and Liabilities Management Corporation ("PSALM"), a corporation duly organized and existing under and by virtue of Republic Act 9136, with office address at the 3<sup>rd</sup> Floor, National Transmission Corporation (TransCo) Building, Power Center, BIR Road corner Quezon Avenue, Diliman, Quezon City 1101. As such Corporate Secretary, I am the custodian of the corporate records of the Corporation, including but not limited to Resolutions of the Board.
2. At a regular meeting of the Board of Directors held on 19 June 2018, at which meeting a quorum was present and acting throughout, the following resolution, among others, was approved and adopted by the Board, thus:

### BOARD RESOLUTION 2018-0619-02

#### PETITION FOR AVAILMENT OF THE NATIONAL POWER CORPORATION - STRANDED CONTRACT COSTS (NPC-SCC) PORTION OF THE UNIVERSAL CHARGE (UC) FOR CY 2017 AND TRUE-UP ADJUSTMENT OF THE NPC-SCC PORTION OF THE UC FOR CYS 2007-2013


NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, that as recommended by the Management and endorsed by the Board Review Committee, the Board of Directors approves and confirms the following:

- i. Filing of the Petition for Availment of the NPC-SCC Portion of the UC for CY 2017 in the amount of PhP5,228,678,356.46 at the rate of PhP0.0582/kWh based on a one (1) year recovery period;
- ii. Submission of the True-Up Adjustment of the NPC-SCC Portion of the UC for CYS 2007-2013 in the amount of PhP5,953,286,073.27 (under-recovery), subject to adjustment based on the certification that will be issued by COA; and
- iii. Authority of the President and CEO or her duly authorized representative to sign, execute, and deliver documents relating to the foregoing action, and to perform such other actions necessary to implement the same, including the following:

- a. Commence, initiate, file and represent PSALM in its CY 2017 UC SCC Petition for Availment and CYs 2007-2013 UC-SCC True-Up Adjustment submission; and
- b. Execute verification and certification against forum shopping on PSALM's behalf.


APPROVED and CONFIRMED.  
19 June 2018.

3. The foregoing resolution has not been revoked, amended, nor in any manner modified and may be relied upon until written notice to the contrary is issued by PSALM.

  
MARIA BELEN P. MONTES-NERA  
Corporate Secretary

Republic of the Philippines }  
Quezon City, Metro Manila }

SUBSCRIBED AND SWORN TO BEFORE ME on 30 July 2018 at Quezon City, Metro Manila, Affiant exhibiting to me her IBP ID No. 37737, IBP Chapter Quezon Province.

  
ATTY. TOMAS B. BAGA, JR.  
NOTARY PUBLIC  
ADM NO. NP-013 (2018-2019)  
UNTIL DECEMBER 31, 2019  
ATTYS. ROLL NO. 13003  
IBP NO. 017520 11-22-17  
PTR NO. 8539383/ 3-6-18 N. COT.  
MCLE NO. IV-0026098  
NTA BLDG. SCT. REYES, Q.C.  
CELL # 09206474724

DOC NO. 200 ;  
PAGE NO. 41 ;  
BOOK NO. XIX ;  
SERIES OF 2018 ;



## CERTIFICATION

To Whom It May Concern:

This is to certify that the following are lawyers with permanent status assigned to the Office of the General Counsel of the Power Sector Assets and Liabilities Management (PSALM) Corporation, a government-owned and controlled corporation:


- |                           |   |                         |
|---------------------------|---|-------------------------|
| 1. Geoffry DL. Masancay   | - | Corporate Legal Counsel |
| 2. Maria Ilyn G. Albito   | - | Corporate Attorney A    |
| 3. Lalaine Mae O. Parlade | - | Corporate Attorney A    |
| 4. Limuel V. Baldoza      | - | Corporate Attorney A    |
| 5. Paterno S. Aquino, Jr. | - | Corporate Attorney B    |

This is to further certify that as lawyers they are authorized to sign pleadings for and in behalf of the PSALM Corporation.

This certification is being issued for whatever legal purpose it may serve.

Done on the 24<sup>th</sup> day of July 2018.

Quezon City

  
**ROSARIO R. ILAGAN**  
Division Manager  
Human Resource Division



POWER SECTOR  
ASSETS & LIABILITIES  
MANAGEMENT CORPORATION

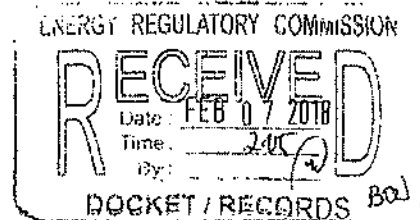


Management  
System  
ISO 9001:2015  
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ID 9102076059



02 February 2018

ATTY. AGNES VICENTA S. TORRES DEVANADERA  
Chairperson and CEO  
Energy Regulatory Commission (ERC)  
Pacific Center Building  
San Miguel Avenue, Pasig City



ATTENTION: ATTY. MARIA CORAZON C. GINES  
Officer-in-Charge, Director III  
Office of the Executive Director

ATTY. FLORESINDA G. BALDO-DIGAL  
Director III, Regulatory Operations Service

SUBJECT: Filing of the National Power Corporation (NPC)  
Stranded Debts (SD) and Stranded Contract  
Costs (SCC) Portion of the Universal Charge  
(UC) for CY 2017 and True-Up Adjustment of  
the CYs 2007-2010 UC-SCC and Submission of  
Updates on the Implementation of the CYs  
2011-2013 UC-SCC and CYs 2011-2012 UC-SD

Dear Chairperson Devanadera:

This is to respectfully request the Honorable Commission to extend the deadline from 15 March 2018 to 31 July 2018, the Power Sector Assets and Liabilities Management Corporation's (PSALM's) filing/submission of the following:

- i) True-up adjustment of the NPC's SD Portion of the UC for CY 2017;
- ii) Availment of the NPC's SCC Portion of the UC for CY 2017;
- iii) True-up adjustment of the NPC's SCC Portion of the UC for CYs 2007-2010 UC;
- iv) Update/Variance Analysis Report (VAR) on the implementation of the NPC's SCC Portion of the UC for CYs 2011-2013; and
- v.) Update/VAR on the implementation of the NPC's SD portion of the UC for CYs 2011-2012.

Pursuant to Rule 18, Section 4(b) of the Implementing Rules and Regulations of the Electric Power Industry Reform Act of 2001, "Petitions for availment under the Universal Charge for the succeeding years shall be submitted to the ERC on

or before March 15 of every year." Article VIII of the Amended Rules for Recovery of NPC's SCC and SD Portion of the UC (UC Guidelines) under ERC Resolution No. 02, Series of 2011, likewise provides that true-up adjustments shall be initiated by PSALM on an annual basis through submission on or before the 15<sup>th</sup> day of March of every year of the Variance Analysis Report (VAR) certified by an Independent Third Party auditor together with other relevant documents to support such true-up adjustments.

In calculating for the CY 2017 SCC and SD true-up adjustments PSALM will rely on its certified financial statements, which will be presented to the PSALM Board for approval before they are submitted to the Commission on Audit (COA). Subsequently, the data contained therein will have to be analyzed to properly identify and distinguish the components that are eligible for recovery under the SCC and those qualified under the SD. Moreover, to ensure accuracy in PSALM's calculations and compliance with the UC Guidelines and other relevant rules and regulations, requisite approvals shall be secured before the UC petitions can be filed before the Honorable Commission. Further, as the VARs corresponding to the CY 2017 UC-SD true-up adjustment, CYs 2007-2010 UC-SCC true-up adjustment, and the implementation of CYs 2011-2013 UC-SCC and CYs 2011-2012 UC-SD are required to be certified by an Independent Third Party auditor under the UC Guidelines, ample time shall be afforded to the COA, our third party auditor, to enable it to completely verify and validate the SD and SCC VARs and issue separate certifications to support the true-up adjustment calculations.

In view of the foregoing, PSALM is constrained to request for an extension of deadline in filing/submitting its UC petitions/compliances from 15 March 2018 to 31 July 2018.

Your favorable consideration of this request will be highly appreciated.

Very truly yours,



ARNOLD C. FRANCISCO  
Officer-in-Charge

cc: Board of Directors, PSALM  
Office of the General Counsel, PSALM



Republic of the Philippines  
**ENERGY  
REGULATORY  
COMMISSION**

APR 04 2018

13 March 2018

*Calc*

*B-18*

**MR. ARNOLD C. FRANCISCO**

Officer-in-Charge

Power Sector Assets and Liabilities Management Corporation (PSALM)

3/F TransCo Bldg., Agham Road cor. Quezon Ave.,

Diliman, Quezon City

Dear Mr. Francisco:

This has reference to your letter dated 2 February 2018 requesting for an extension of the deadline for the filing/submission by the Power Sector Assets and Liabilities Management Corporation (PSALM) of the following: (1) True-up Adjustment of the NPC's Stranded Debts (NPC's SD) Portion of the UC for Calendar Year (CY) 2017; (2) availment of the National Power Corporation's Stranded Contract Cost (NPC's SCC) Portion of the Universal Charge for CY 2017; (3) True-up adjustment of the NPC's SCC Portion of the UC for CYs 2007-2010; (4) update/Variance Analysis Report (VAR) on the implementation of NPC's SCC Portion of the UC for CYs 2011-2013; and (5) update/VAR on the implementation of NPC's SD Portion of the UC for CYs 2011-2013 from 15 March 2018 to 31 July 2018.

As stated in your letter, PSALM is constrained to request for the extension in submitting its UC petitions/compliances since the CY 2017 certified financial statements of PSALM, which will serve as bases in calculating the CY 2017 SCC and SD True-up Adjustment, have yet to be presented to its Board and as needed, UC petitions will still go through requisite approvals before it could be filed before the Commission. Furthermore, as the required Variance Analysis Report (VAR) needs to be certified by an Independent Third Party Auditor, ample time should be afforded to the Commission on Audit (COA) to enable it to completely verify and validate the SD and SCC VARs before it can issue separate certifications thereon to support the true-up adjustment calculations.

Finding said request meritorious, the same is hereby granted. Consequently, PSALM is hereby directed to file and submit the foregoing on or before 31 July 2018.

The above notwithstanding, the Commission would like to remind PSALM of the significance of the timely filing of the UC-SCC and SD considering its possible impact on PSALM's cash flow. PSALM is advised to exert best efforts in the management of its liabilities and asset privatization proceeds as any resulting difference thereof may cause an adjustment to rates passed on to electricity end-users.

Very truly yours,

  
**AGNES VST DEVANADERA**  
Chairperson and CEO ✓

**ERC**

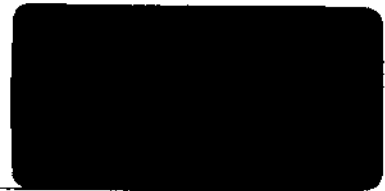
Office of the Chairperson



\*AVSTD-2018-3-310-0035\*

AMDB/AJM/FGED  
ROS Reference: 2018-C1-E

cc:  
Mr. Carlos G. Dominguez  
Secretary  
Department of Finance  
DOF Bldg., BSP Complex,  
Roxas Blvd., Pasay City



Pacific Center Building, San Miguel Avenue, Pasig City  
Mailing Address: P.O. Box 181 Greenhills, Metro Manila  
Website: <http://www.erc.gov.ph>

Trunk line: 689-5372  
Telefax Nos. 631-58-18 • 631-58-06 • 706-52-59

PSALM Corporation  
 Operating Results  
 Eligible IPPs  
 For the period ended 31 December 2017

	<u>Bakun (NMHC)</u>	<u>Ampohaw</u>	<u>Unified Leyte</u>	<u>Total</u>
Rated capacity, kW	11,900.00	18,400.00	540,000.00	570,300.00
Plant factor, %	51.01	38.41	42.27	42.33
<b>Energy generation, kWh</b>	<b><u>53,171,718.00</u></b>	<b><u>61,909,940.00</u></b>	<b><u>1,747,797,856.31</u></b>	<b><u>1,862,879,514.31</u></b>
<b>Energy withdrawn from WESM, kWh</b>	<b><u>7,366,611.22</u></b>	<b><u>5,183,037.48</u></b>	<b><u>387,712.89</u></b>	<b><u>12,937,361.59</u></b>
Station use	0.10	0.10	387,712.89	387,713.09
To meet TSC	7,366,611.12	5,183,037.38	-	12,549,648.50
<b>Energy sales, kWh</b>	<b><u>60,830,967.79</u></b>	<b><u>67,450,111.45</u></b>	<b><u>1,747,717,580.92</u></b>	<b><u>1,875,998,660.16</u></b>
TSC	18,474,191.74	16,432,480.10	6,056,909.61	40,963,581.45
WESM	42,356,776.05	51,017,631.35	1,741,660,671.31	1,835,035,078.71
Ave. selling rate P/kWh	3.1929	3.2704	2.8136	2.8423
<b>Net utility revenue</b>	<b><u>194,225,359.72</u></b>	<b><u>220,589,752.11</u></b>	<b><u>4,917,369,586.64</u></b>	<b><u>5,332,184,698.48</u></b>
TSC	50,041,622.22	45,298,934.72	22,005,395.99	117,345,952.93
TSC	50,041,622.22	45,298,934.72	19,883,867.28	115,224,424.22
Penalties	-	-	2,878,432.25	2,878,432.25
Prompt payment discount (PPD)	0.00	0.00	(756,903.54)	(756,903.54)
WESM	144,183,737.51	175,290,817.39	4,895,364,190.65	5,214,838,745.54
WESM	143,770,197.01	174,815,216.02	4,665,616,200.26	4,984,201,613.29
Net settlement surplus	413,540.50	475,601.37	229,747,990.39	230,637,132.26
<b>Less: Operating expenses</b>	<b><u>284,160,838.77</u></b>	<b><u>324,056,462.96</u></b>	<b><u>6,968,971,221.66</u></b>	<b><u>7,577,188,523.39</u></b>
<b>Variable costs</b>	<b><u>283,687,114.17</u></b>	<b><u>323,503,947.29</u></b>	<b><u>815,628.48</u></b>	<b><u>608,006,689.94</u></b>
Other power supply	261,497,255.94	308,223,380.79	-	569,720,636.73
Energy purchased from PEMC				
Station use	0.19	0.18	815,628.48	815,628.85
To meet TSC	22,189,858.04	15,280,566.32	-	37,470,424.36
<b>Fixed costs</b>	<b><u>473,724.60</u></b>	<b><u>552,515.67</u></b>	<b><u>6,968,155,593.19</u></b>	<b><u>6,969,181,833.46</u></b>
Opex - plant/HO allocated	473,724.60	552,515.67	49,799,156.57	50,825,396.83
Plant	473,724.60	552,515.67	49,799,156.57	50,825,396.83
HO allocated	-	-	-	-
Fixed O&M - other power supply	-	-	6,918,356,436.62	6,918,356,436.62
<b>Net operating income (loss)</b>	<b><u>(89,935,479.04)</u></b>	<b><u>(103,466,710.85)</u></b>	<b><u>(2,051,601,635.02)</u></b>	<b><u>(2,245,003,824.91)</u></b>
Net, other income	2,577,273.89	3,005,932.63	10,464,788.25	16,047,994.77
<b>Power generation income (loss)</b>	<b><u>(87,358,205.15)</u></b>	<b><u>(100,460,778.22)</u></b>	<b><u>(2,041,136,846.78)</u></b>	<b><u>(2,228,955,830.15)</u></b>
<b>In terms of P/kWh sold</b>				
<b>Net utility revenue</b>	<b>3.1929</b>	<b>3.2704</b>	<b>2.8136</b>	<b>2.8423</b>
<b>Operating expense</b>				
Variable	4.6635	4.7962	0.0005	0.3241
Fixed	0.0078	0.0082	3.9870	3.7149
<b>Total operating expense</b>	<b><u>4.6713</u></b>	<b><u>4.8044</u></b>	<b><u>3.9875</u></b>	<b><u>4.0390</u></b>
<b>Net operating income (loss)</b>	<b><u>(1.4784)</u></b>	<b><u>(1.5340)</u></b>	<b><u>(1.1739)</u></b>	<b><u>(1.1967)</u></b>

Prepared by:

*M. Simbahan*  
 Claudine Mae L. Simbahan  
 Finance Specialist

Reviewed by:

*Marilou H. Gappe*  
 Marilou H. Gappe  
 Manager, FMAD

Approved by:

*Yolanda L. Alfara*  
 Yolanda L. Alfara  
 Manager, Controlling Dept.

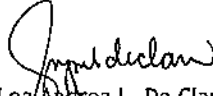


Power Sector Assets and Liabilities Management Corporation  
 Summary of Fixed and Variable Costs of Eligible IPPs under IPPAA  
 For the Period Ended 31 December 2017  
 in Php Equivalent

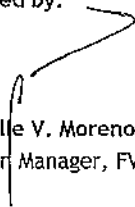
Plant	Independent Power Producer	Capacity Fee	Fixed O & M - Other Power Supply	Variable - Other Power Supply	Total
Pagbilao	Team Energy Corporation	9,564,078,157.27	1,503,494,836.59	668,005,395.37	11,735,578,389.23
Sual	Team Sual Corporation	8,268,288,013.15	1,349,139,884.02	462,396,488.21	10,079,824,385.38
Unified Leyte	Energy Development Corporation			4,413,926,377.46	4,413,926,377.46
	<b>Total</b>	<b>17,832,366,170.42</b>	<b>2,852,634,720.61</b>	<b>5,544,328,261.04</b>	<b>26,229,329,152.07</b>

source(s): IPP Payment Vouchers

Prepared by:

  
 Lea Andrea L. De Claro  
 Sr. Finance Analyst

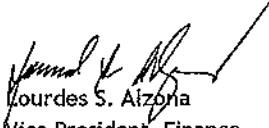
Checked by:

  
 Rochelle V. Moreno  
 Division Manager, FVTD

Reviewed by:

  
 Luisa A. Esteban  
 Department Manager, UCAD

Approved by:

  
 Lourdes S. Alzona  
 Vice President, Finance

Power Sector Assets and Liabilities Management Corporation  
 Other OPEX of Eligible Plants under IPPAA  
 For the period ended 31 December 2017

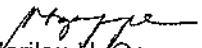
Plant	Independent Power Producer	Other OPEX			Total
		ER 1-94	RPT	MSA/TSA 1/	
Pagbilao	Team Energy Corporation	44,081,520.66	32,065,421.25		76,146,941.91
Sual	Team Sual Corporation	52,474,213.60	67,669,149.44		120,143,363.04
Unified Leyte	Energy Dev't Corporation	13,793,968.63	-	12,825,742.58	26,619,711.21
<b>Total</b>		<b>110,349,702.89</b>	<b>99,734,570.69</b>	<b>12,825,742.58</b>	<b>222,910,016.16</b>

1/ Metering and Transmission Service Agreement

Prepared by:

  
 Geezelle J. Santander  
 Sr. Finance Analyst

Reviewed by:

  
 Marilou H. Gappe  
 Manager, FMAD

Approved by:

  
 Yolanda D. Alfafara  
 Manager, Contollership Dept.

PSALM Corporation  
 IPPAA Monthly Payments (For SCC Calculation)  
 Eligible Plants  
 For the period ended 31 December 2017

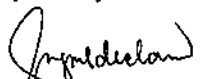
BOT Plants	IPP Administrator	Particulars		Amount Received <sup>1/</sup>	VAT <sup>2/</sup>	Amount Net of VAT
Pagbilao	Therma Luzon Inc.	Monthly Payment	₱	7,881,270,105.18	945,218,877.02	6,936,051,228.16
Sual	San Miguel Energy Corp.	Monthly Payment	₱	8,628,766,686.71	1,035,452,002.39	7,593,314,684.32
Leyte	FDCUI	Forfeiture of Performance Bond	₱	151,200,200.00		151,200,200.00
	Total		₱	16,661,236,991.89	1,980,670,879.41	14,680,566,112.48

Source(s):

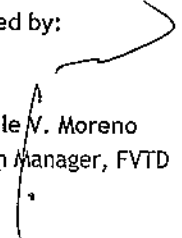
IPPAA Monthly Payments Report from PSALM Controllership Department

VAT on Privatization Proceeds Report from PSALM Budget & Property Monitoring Department

Prepared by:

  
 Lea Andrea L. De Claro  
 Sr. Finance Analyst

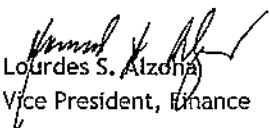
Checked by:

  
 Rochelle V. Moreno  
 Division Manager, FVTD

Reviewed by:

  
 Luisa A. Esteban  
 Department Manager, UCAD

Approved by:


  
 Lourdes S. Alzona  
 Vice President, Finance

PSALM Corporation  
IPPAA Monthly Payments  
Eligible plants  
For the period ended 31 December 2017

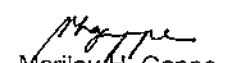
BOT Plants	IPP Administrator	Amount Received <sup>1/</sup>
Pagbilao	Therma Luzon, Inc.	₱ 7,881,270,105.18
Sual	San Miguel Energy Corp.	8,628,766,686.71
	<b>Total</b>	<b>₱ 16,510,036,791.89</b>

*1/ Net of Credit Memo's related to Adjustments from Monthly Payments due to non delivering days as stated in Schedule I of IPPA Agreement*

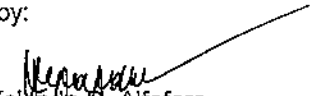
Prepared by:

  
Geezelle J. Santander  
Sr. Finance Analyst

Reviewed by:

  
Mariou H. Gappe  
Manager, FMAD

Approved by:

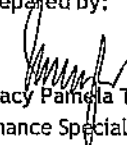
  
Yolanda D. Alfara  
Manager, Contollership Dept.

Power Sector Assets and Liabilities Management Corporation  
 VAT Privatization Proceeds  
 For the period ended 31 December 2017  
 In Php

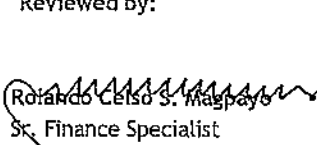
IPPA Administrator Monthly Payment	VAT
Eligible	
Therma Luzon, Inc. Pagbilao	945,218,877.02
San Miguel Energy Corporation Sual	1,035,452,002.39
Total	1,980,670,879.41

Other Priva-related	VAT
Forfeiture of Performance Bond	
FDC-Utilities, Inc.	NON VAT
Total	-

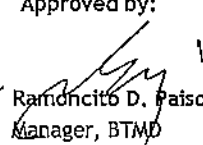
Prepared by:

  
 Tracy Pamela T. Ramos  
 Finance Specialist

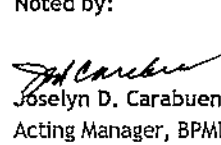
Reviewed by:

  
 Rolando Celso S. Maspayo  
 Sr. Finance Specialist

Approved by:

  
 Ramoncito D. Paise  
 Manager, BTMD

Noted by:

  
 Joselyn D. Carabuena  
 Acting Manager, BPMD

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION  
SUMMARY OF IPPA BILLINGS - UL STRIPS GENERATION PAYMENTS  
For the Period 26 December 2016 to 25 December 2017

Bill Number	Billing Period	Due Date	BILLINGS (PHP)
<b>ABOITIZ ENERGY SOLUTIONS, INC.</b>			
IPP-2017-02-0641	12/26/2016-01/25/2017	20-Mar-17	163,239,623.87
IPP-2017-03-0662	01/26/2017-02/25/2017	12-Apr-17	164,505,187.15
DM#PSALM-17-04-0384	12/26/2016-01/25/2017	8-May-17	267,822.06
IPP-2017-04-0677	02/26/2017-03/25/2017	12-May-17	148,907,450.93
DM#PSALM-17-05-0464	01/26/2017-02/25/2017	6-Jun-17	111,014.33
IPP-2017-05-0699	03/26/2017-04/25/2017	13-Jun-17	163,707,271.71
DM#PSALM-17-06-0564	02/26/2017-03/25/2017	6-Jul-17	122,831.97
IPP-2017-06-0718	04/26/2017-05/25/2017	11-Jul-17	158,881,640.23
DM#PSALM-17-07-0638	03/26/2017-04/25/2017	1-Aug-17	76,322.34
IPP-2017-07-0735	05/26/2017-06/25/2017	10-Aug-17	164,933,093.53
CM#PSALM-17-08-0729	04/26/2017-05/25/2017		(45,659.12)
IPP-2017-08-0757	06/26/2017-07/25/2017	12-Sep-17	94,202,353.98
CM#PSALM-17-09-1069	05/26/2017-06/25/2017		(15,259.12)
IPP-2017-09-0776	07/26/2017-08/25/2017	16-Oct-17	143,737,052.27
IPP-2017-10-0794	08/26/2017-09/25/2017	13-Nov-17	150,069,729.22
DM#PSALM-17-11-01469	06/26/2017-07/25/2017	12-Dec-17	52,758.55
DM#PSALM-17-11-01476	07/26/2017-08/25/2017	12-Dec-17	78,904.14
DM#PSALM-17-12-1546	08/26/2017-09/25/2017	2-Jan-18	218,941.09
IPP-2017-11-0810	09/26/2017-10/25/2017	11-Dec-17	162,732,974.24
IPP-2017-12-0826	10/26/2017-11/25/2017	10-Jan-18	166,181,503.44
DM#PSALM-18-01-0047	09/26/2017-10/25/2017	7-Feb-18	88,581.89
IPP-2018-01-0846	11/26/2017-12/25/2017	15-Feb-18	154,806,101.44
DM#PSALM-18-02-0260	10/26/2017-11/25/2017	14-Mar-18	142,930.94
DM#PSALM-18-03-0533	11/26/2017-12/25/2017	5-Apr-18	133,917.56
<b>SUBTOTAL (AESI)</b>			<b>1,837,137,088.64</b>
<b>FDC UTILITIES, INC.</b>			
IPP-2017-02-0642	12/26/2016-01/25/2017	20-Mar-17	163,239,623.87
IPP-2017-03-0663	01/26/2017-02/25/2017	12-Apr-17	164,505,187.15
DM#PSALM-17-04-0385	12/26/2016-01/25/2017	8-May-17	267,822.06
IPP-2017-04-0678	02/26/2017-03/25/2017	12-May-17	148,907,450.93
DM#PSALM-17-05-0465	01/26/2017-02/25/2017	6-Jun-17	111,014.33
IPP-2017-05-0700	03/26/2017-04/25/2017	13-Jun-17	163,707,271.71
DM#PSALM-17-06-0565	02/26/2017-03/25/2017	6-Jul-17	122,831.97
IPP-2017-06-0719	04/26/2017-05/25/2017	11-Jul-17	158,881,640.23
DM#PSALM-17-07-0639	03/26/2017-04/25/2017	1-Aug-17	76,322.34
IPP-2017-07-0736	05/26/2017-06/25/2017	10-Aug-17 *	164,933,093.53
CM#PSALM-17-08-0730	04/26/2017-05/25/2017		(45,659.12)
IPP-2017-08-0758	06/26/2017-07/25/2017	12-Sep-17	94,202,353.98
CM#PSALM-17-09-1070	05/26/2017-06/25/2017		(15,259.12)
IPP-2017-09-0777	07/26/2017-08/25/2017	16-Oct-17	143,737,052.27
IPP-2017-10-0795	08/26/2017-09/04/2017	13-Nov-17	45,707,912.00
DM#PSALM-17-11-01470	06/26/2017-07/25/2017	12-Dec-17	52,758.55
DM#PSALM-17-11-01477	07/26/2017-08/25/2017	12-Dec-17	78,904.14
DM#PSALM-17-12-1547	08/26/2017-09/04/2017	2-Jan-18	66,684.60
<b>SUBTOTAL (FDCUI)</b>			<b>1,248,537,005.42</b>
<b>GOOD FRIENDS HYDRO RESOURCES CORPORATION</b>			
IPP-2017-02-0643	12/26/2016-01/25/2017	21-Mar-17	81,619,811.94
IPP-2017-03-0664	01/26/2017-02/25/2017	13-Apr-17	82,252,593.58
DM#PSALM-17-04-0386	12/26/2016-01/25/2017	9-May-17	133,911.02
IPP-2017-04-0679	02/26/2017-03/25/2017	12-May-17	74,453,725.46
DM#PSALM-17-05-0466	01/26/2017-02/25/2017	7-Jun-17	55,507.16
IPP-2017-05-0701	03/26/2017-04/25/2017	13-Jun-17	81,853,635.85

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION  
SUMMARY OF IPPA BILLINGS - UL STRIPS GENERATION PAYMENTS  
For the Period 26 December 2016 to 25 December 2017

Bill Number	Billing Period	Due Date	BILLINGS (PHP)
DM#PSALM-17-06-0566	02/26/2017-03/25/2017	7-Jul-17	61,415.99
IPP-2017-06-0720	04/26/2017-05/25/2017	12-Jul-17	79,440,820.11
DM#PSALM-17-07-0640	03/26/2017-04/25/2017	2-Aug-17	38,161.18
IPP-2017-07-0737	05/26/2017-06/25/2017	11-Aug-17	82,466,546.76
CM#PSALM-17-08-0783	04/26/2017-05/25/2017		(22,829.55)
IPP-2017-08-0759	06/26/2017-07/25/2017	13-Sep-17	47,101,176.99
CM#PSALM-17-09-1071	05/26/2017-06/25/2017		(7,629.56)
IPP-2017-10-0796	07/26/2017-08/10/2017	14-Nov-17	36,713,544.20
DM#PSALM-17-11-01471	06/26/2017-07/25/2017	12-Dec-17	26,379.28
DM#PSALM-17-11-01478	07/26/2017-08/10/2017	12-Dec-17	20,153.82
<b>SUBTOTAL (GFHRC)</b>			<b>566,206,924.23</b>
<b>PHINMA ENERGY CORPORATION (TRANS-ASIA OIL AND ENERGY DEVELOPMENT CORPORATION)</b>			
IPP-2017-02-0644	12/26/2016-01/25/2017	20-Mar-17	163,239,623.87
IPP-2017-03-0665	01/26/2017-02/25/2017	12-Apr-17	164,505,187.15
DM#PSALM-17-04-0387	12/26/2016-01/25/2017	8-May-17	267,822.06
IPP-2017-04-0680	02/26/2017-03/25/2017	12-May-17	148,907,450.93
DM#PSALM-17-05-0467	01/26/2017-02/25/2017	6-Jun-17	111,014.33
IPP-2017-05-0702	03/26/2017-04/25/2017	13-Jun-17	163,707,271.71
DM#PSALM-17-06-0567	02/26/2017-03/25/2017	6-Jul-17	122,831.97
IPP-2017-06-0721	04/26/2017-05/25/2017	11-Jul-17	158,881,640.23
DM#PSALM-17-07-0641	03/26/2017-04/25/2017	1-Aug-17	76,322.34
IPP-2017-07-0738	05/26/2017-06/25/2017	10-Aug-17	164,933,093.53
CM#PSALM-17-08-0731	04/26/2017-05/25/2017		(45,659.12)
IPP-2017-08-0760	06/26/2017-07/25/2017	12-Sep-17	94,202,353.98
CM#PSALM-17-09-1072	05/26/2017-06/25/2017		(15,259.12)
IPP-2017-09-0778	07/26/2017-08/25/2017	16-Oct-17	143,737,052.27
IPP-2017-10-0797	08/26/2017-09/04/2017	13-Nov-17	45,707,912.00
DM#PSALM-17-11-01472	06/26/2017-07/25/2017		52,758.55
DM#PSALM-17-11-01479	07/26/2017-08/25/2017		78,904.14
DM#PSALM-17-12-1540	08/26/2017-09/04/2017	27-Dec-17	66,684.60
<b>SUBTOTAL (PHINMA)</b>			<b>1,248,537,005.42</b>
<b>UNIFIED LEYTE GEOTHERMAL ENERGY INC.</b>			
IPP-2017-02-0645	12/26/2016-01/25/2017	20-Mar-17	163,239,623.87
IPP-2017-03-0666	01/26/2017-02/25/2017	12-Apr-17	164,505,187.15
DM#PSALM-17-04-0388	12/26/2016-01/25/2017	8-May-17	267,822.06
IPP-2017-04-0681	02/26/2017-03/25/2017	12-May-17	148,907,450.93
DM#PSALM-17-05-0468	01/26/2017-02/25/2017	6-Jun-17	111,014.33
IPP-2017-05-0703	03/26/2017-04/25/2017	13-Jun-17	163,707,271.71
DM#PSALM-17-06-0568	02/26/2017-03/25/2017	6-Jul-17	122,831.97
IPP-2017-06-0722	04/26/2017-05/25/2017	11-Jul-17	158,881,640.23
DM#PSALM-17-07-0642	03/26/2017-04/25/2017	1-Aug-17	76,322.34
IPP-2017-07-0739	05/26/2017-06/25/2017	10-Aug-17	164,933,093.53
CM#PSALM-17-08-0732	04/26/2017-05/25/2017		(45,659.12)
IPP-2017-08-0761	06/26/2017-07/25/2017	12-Sep-17	94,202,353.98
CM#PSALM-17-09-1073	05/26/2017-06/25/2017		(15,259.12)
IPP-2017-09-0779	07/26/2017-08/25/2017	16-Oct-17	143,737,052.27
IPP-2017-10-0798	08/26/2017-09/25/2017	13-Nov-17	150,069,729.22
DM#PSALM-17-11-01473	06/26/2017-07/25/2017	12-Dec-17	52,758.55
DM#PSALM-17-11-01480	07/26/2017-08/25/2017	12-Dec-17	78,904.14
DM#PSALM-17-12-1548	08/26/2017-09/25/2017	2-Jan-18	218,941.09
IPP-2017-11-0811	09/26/2017-10/25/2017	11-Dec-17	162,732,974.24
IPP-2017-12-0827	10/26/2017-11/25/2017	10-Jan-18	166,181,503.44
DM#PSALM-18-01-0048	09/26/2017-10/25/2017	7-Feb-18	88,581.89

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION  
SUMMARY OF IPPA BILLINGS - UL STRIPS GENERATION PAYMENTS  
For the Period 26 December 2016 to 25 December 2017

Bill Number	Billing Period	Due Date	BILLINGS (PHP)
IPP-2018-01-0847	11/26/2017-12/25/2017	15-Feb-18	154,806,101.44
DM#PSALM-18-02-0261	10/26/2017-11/25/2017	14-Mar-18	142,930.94
DM#PSALM-18-03-0534	11/26/2017-12/25/2017	5-Apr-18	133,917.56
<b>SUBTOTAL (ULGEI)</b>			<b>1,837,137,088.64</b>
<b>VIVANT ENERGY CORPORATION</b>			
IPP-2017-02-0646	12/26/2016-01/25/2017	20-Mar-17	69,376,840.14
IPP-2017-03-0667	01/26/2017-02/25/2017	12-Apr-17	69,914,704.54
DM#PSALM-17-04-0389	12/26/2016-01/25/2017	8-May-17	113,824.38
IPP-2017-04-0682	02/26/2017-03/25/2017	12-May-17	63,285,666.64
DM#PSALM-17-05-0469	01/26/2017-02/25/2017	6-Jun-17	47,181.09
IPP-2017-05-0704	03/26/2017-04/25/2017	13-Jun-17	69,575,590.48
DM#PSALM-17-06-0569	02/26/2017-03/25/2017	6-Jul-17	52,203.59
IPP-2017-06-0723	04/26/2017-05/25/2017	11-Jul-17	67,524,697.10
DM#PSALM-17-07-0643	03/26/2017-04/25/2017	1-Aug-17	32,436.99
IPP-2017-07-0740	05/26/2017-06/25/2017	10-Aug-17	70,096,564.77
CM#PSALM-17-08-0733	04/26/2017-05/25/2017		(19,405.13)
IPP-2017-08-0762	06/26/2017-07/25/2017	12-Sep-17	40,036,000.41
CM#PSALM-17-09-1074	05/26/2017-06/25/2017		(6,485.13)
IPP-2017-09-0780	07/26/2017-08/25/2017	16-Oct-17	61,088,247.23
IPP-2017-10-0799	08/26/2017-09/25/2017	13-Nov-17	63,779,634.91
DM#PSALM-17-11-01474	06/26/2017-07/25/2017	12-Dec-17	22,422.38
DM#PSALM-17-11-01481	07/26/2017-08/25/2017	12-Dec-17	33,534.26
DM#PSALM-17-12-1549	08/26/2017-09/25/2017	2-Jan-18	93,049.96
IPP-2017-11-0812	09/26/2017-10/25/2017	11-Dec-17	69,161,514.06
IPP-2017-12-0828	10/26/2017-11/25/2017	10-Jan-18	70,627,138.96
DM#PSALM-18-01-0049	09/26/2017-10/25/2017	7-Feb-18	37,647.30
IPP-2018-01-0848	11/26/2017-12/25/2017	15-Feb-18	65,792,593.09
DM#PSALM-18-02-0262	10/26/2017-11/25/2017	14-Mar-18	60,745.65
DM#PSALM-18-03-0535	11/26/2017-12/25/2017	5-Apr-18	56,914.97
<b>SUBTOTAL (VIVANT ENERGY)</b>			<b>780,783,262.64</b>
<b>WATERFRONT MACTAN CASINO HOTEL, INC.</b>			
IPP-2017-02-0647	12/26/2016-01/25/2017	21-Mar-17	12,242,971.79
IPP-2017-03-0668	01/26/2017-02/25/2017	13-Apr-17	12,337,889.04
DM#PSALM-17-04-0390	12/26/2016-01/25/2017	9-May-17	20,086.65
IPP-2017-04-0683	02/26/2017-03/25/2017	12-May-17	11,168,058.82
DM#PSALM-17-05-0470	01/26/2017-02/25/2017	7-Jun-17	8,326.07
IPP-2017-05-0705	03/26/2017-04/25/2017	13-Jun-17	12,278,045.38
DM#PSALM-17-06-0570	02/26/2017-03/25/2017	7-Jul-17	9,212.40
IPP-2017-06-0724	04/26/2017-05/25/2017	12-Jul-17	11,916,123.02
DM#PSALM-17-07-0644	03/26/2017-04/25/2017	2-Aug-17	5,724.17
IPP-2017-07-0741	05/26/2017-06/25/2017	11-Aug-17	12,369,982.00
CM#PSALM-17-08-0734	04/26/2017-05/25/2017		(3,424.44)
IPP-2017-08-0763	06/26/2017-07/25/2017	13-Sep-17	7,065,176.53
CM#PSALM-17-09-1075	05/26/2017-06/25/2017		(1,144.44)
IPP-2017-09-0781	07/26/2017-08/25/2017	17-Oct-17	10,780,278.94
IPP-2017-10-0800	08/26/2017-09/25/2017	14-Nov-17	11,255,229.67
DM#PSALM-17-11-01475	06/26/2017-07/25/2017	12-Dec-17	3,956.89
DM#PSALM-17-11-01482	07/26/2017-08/25/2017	12-Dec-17	5,917.81
DM#PSALM-17-12-1550	08/26/2017-09/25/2017	2-Jan-18	16,420.58
IPP-2017-11-0813	09/26/2017-10/25/2017	11-Dec-17	12,204,973.09
IPP-2017-12-0829	10/26/2017-11/25/2017	11-Jan-18	12,463,612.76
DM#PSALM-18-01-0050	09/26/2017-10/25/2017	7-Feb-18	6,643.64
IPP-2018-01-0849	11/26/2017-12/25/2017	16-Feb-18	11,610,457.62



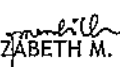
POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION  
SUMMARY OF IPPA BILLINGS - UL STRIPS GENERATION PAYMENTS  
For the Period 26 December 2016 to 25 December 2017

Bill Number	Billing Period	Due Date	BILLINGS (PHP)
DM#PSALM-18-02-0263	10/26/2017-11/25/2017	15-Mar-18	10,719.82
DM#PSALM-18-03-0536	11/26/2017-12/25/2017	6-Apr-18	10,043.82
SUBTOTAL (WMCHI)			137,785,281.63
TOTAL			7,656,123,656.62

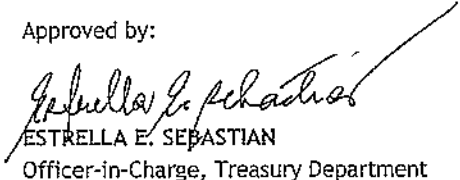
Prepared by:

  
JOFREY T. PAURA  
Sr. Finance Analyst

Reviewed by:

  
ELIZABETH M. COBILLA  
Officer-in-Charge, LAD

Approved by:

  
ESTRELLA E. SEBASTIAN  
Officer-in-Charge, Treasury Department

## POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION

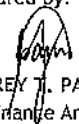
## SUMMARY OF IPPA BILLINGS - ENERGY FEES

For the Period 25 December 2016 to 25 December 2017

(in PhP Equivalent)

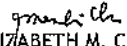
Bill Number	Billing Period	Billings (USD)	Due Date (\$)	Peso per Dollar Rate	Billings (USD) PhP Equivalent	Peso Portion (in PhP)	Total
<b>THERMA LUZON, INC.</b>							
IPP-2017-02-0633	12/25/2016-01/25/2017	734,194.09	24-Feb-17	50.232	36,880,037.53	20,304,160.02	57,184,197.55
IPP-2017-03-0656	01/25/2017-02/25/2017	869,192.03	24-Mar-17	50.339	43,754,257.60	24,209,050.54	67,963,308.14
IPP-2017-04-0675	02/25/2017-03/25/2017	795,121.41	21-Apr-17	49.812	39,606,587.67	22,088,464.99	61,695,052.66
IPP-2017-05-0694	03/25/2017-04/25/2017	349,611.00	25-May-17	49.968	17,469,362.45	9,540,853.75	27,010,216.20
IPP-2017-06-0713	04/25/2017-05/25/2017	445,475.32	28-Jun-17	50.262	22,390,480.53	11,911,826.63	34,302,307.16
IPP-2017-07-0732	05/25/2017-06/25/2017	817,661.79	26-Jul-17	50.698	41,453,817.43	21,769,834.66	63,223,652.09
IPP-2017-08-0751	06/25/2017-07/25/2017	879,916.46	23-Aug-17	51.377	45,207,467.97	23,506,672.61	68,714,140.58
IPP-2017-09-0770	07/25/2017-08/25/2017	855,842.16	28-Sep-17	50.969	43,621,419.05	22,799,906.78	66,421,325.83
IPP-2017-10-0788	08/25/2017-09/25/2017	637,138.24	30-Oct-17	51.799	33,003,123.69	16,923,396.03	49,926,519.72
IPP-2017-11-0807	09/25/2017-10/25/2017	780,901.34	24-Nov-17	50.628	39,535,473.04	20,743,545.92	60,279,018.96
IPP-2017-12-0823	10/25/2017-11/25/2017	748,378.26	28-Dec-17	50.245	37,602,265.67	19,852,504.58	57,454,770.25
IPP-2018-01-0840	11/25/2017-12/25/2017	703,167.59	24-Jan-18	51.008	35,867,172.43	18,641,537.77	54,508,710.20
<b>SUBTOTAL (TLI)</b>		<b>8,616,599.69</b>			<b>436,391,465.06</b>	<b>232,291,754.28</b>	<b>668,683,219.34</b>
<b>SAN MIGUEL ENERGY CORPORATION</b>							
IPP-2017-02-0634	12/25/2016-01/25/2017	748,060.29	2-Mar-17	50.291	37,620,700.04	10,490,523.32	48,111,223.36
IPP-2017-03-0657	01/25/2017-02/25/2017	744,282.79	4-Apr-17	50.144	37,321,316.22	10,441,422.82	47,762,739.04
IPP-2017-04-0676	02/25/2017-03/25/2017	867,354.97	3-May-17	50.054	43,414,585.67	12,138,375.29	55,552,960.96
IPP-2017-05-0695	03/25/2017-04/25/2017	835,547.03	1-Jun-17	49.761	41,577,655.76	11,693,232.62	53,270,888.38
IPP-2017-06-0714	04/25/2017-05/25/2017	837,463.93	30-Jun-17	50.466	42,263,454.69	11,649,970.06	53,913,424.75
IPP-2017-07-0733	05/25/2017-06/25/2017	738,757.04	1-Aug-17	50.502	37,308,708.03	10,382,321.63	47,691,029.66
IPP-2017-08-0752	06/25/2017-07/25/2017	424,988.53	29-Aug-17	51.095	21,714,788.94	5,883,065.74	27,597,854.68
IPP-2017-09-0771	07/25/2017-08/25/2017	446,712.47	29-Sep-17	51.073	22,814,945.98	6,183,767.56	28,998,733.54
IPP-2017-10-0789	08/25/2017-09/25/2017	361,015.21	2-Nov-17	51.686	18,659,432.14	4,997,490.64	23,656,922.78
IPP-2017-11-0808	09/25/2017-10/25/2017	380,256.93	27-Nov-17	50.685	19,273,322.50	5,263,851.49	24,537,173.99
IPP-2017-12-0824	10/25/2017-11/25/2017	409,388.98	5-Jan-18	49.879	20,419,912.93	5,667,122.87	26,087,035.80
IPP-2018-01-0841	11/25/2017-12/25/2017	388,102.33	24-Jan-18	51.008	19,796,323.65	5,458,434.12	25,254,757.77
<b>SUBTOTAL (SMEC)</b>		<b>7,181,930.50</b>			<b>362,185,146.55</b>	<b>100,249,598.16</b>	<b>462,434,744.71</b>
<b>TOTAL</b>		<b>15,798,530.19</b>			<b>798,576,611.62</b>	<b>332,541,352.44</b>	<b>1,131,117,964.05</b>

Prepared by: /



JOFREY T. PAURA  
Sr. Finance Analyst

Reviewed by:



ELIZABETH M. COBILLA  
Officer-in-Charge, LAD

Approved by:



ESTRELLA E. SEBASTIAN  
Officer-in-Charge, Treasury Department

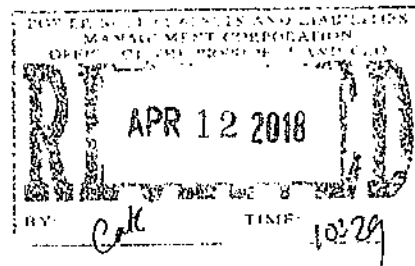


Republic of the Philippines  
**DEPARTMENT OF ENERGY**

5 April 2018

**MS. LOURDES S. ALZONA**

Vice President, Finance Group  
Power Sector Assets & Liabilities Management Corporation  
3<sup>rd</sup> Floor TransCo Building, Power Center,  
Quezon Avenue cor BIR Road, Diliman 1101  
Quezon City  
Tel. No.: (02) 902-9000  
Telefax No.: (02) 739-5279



Subject: **2017 Actual Electricity Consumption and Updated Electricity Sales Forecast Covering 2018 Onwards**

Dear **Vice President Alzona**:

We refer to your letter dated 12 February 2018, requesting the 2017 actual electricity sales by sector and by grid, and updated electricity sales forecast as reference for Power Sector Assets & Liabilities Management Corporation's computation of the equivalent peso per kilowatt-hour for National Power Corporation's stranded contract costs and stranded debts, which will further be used by the Energy Regulatory Commission in the determination of universal charges (UC) and UC rates.

In this regard, we are providing you the following requested data:

- 2018-2030 Electricity Sales Forecast by Grid; and
- 2017 Monthly Electricity Sales and Consumption by Sector, by Grid.

Should you have any clarification on the information above, you may communicate directly with Ms. Thelma B. Ejercito, Officer-in-Charge of the Power Planning and Development Division of the Electric Power Industry Management Bureau at 840-2173 or send email at [tejercito@yahoo.com](mailto:tejercito@yahoo.com).

We hope that the above information meets your requirement.

Very truly yours,

  
**MARIO C. MARASIGAN, CESO III**  
Director IV  
Officer-in-Charge  
Electric Power Industry Management Bureau

Cc: Undersecretary Felix William B. Fuentesbella  
Assistant Secretary Redentor E. Delola  
Ms. Luningning G. Baltazar

ADICE/TBE/JRBL

## Electricity Sales Forecast (in GWh) by Grid, 2018-2030

Year	LUZON GRID						VISAYAS GRID						MINDANAO GRID					
	High Scenario		Low Scenario		Traditional Scenario (DDP-Based)		High Scenario		Low Scenario		Traditional Scenario (DDP-Based)		High Scenario		Low Scenario		Traditional Scenario (DDP-Based)	
		G.R. (%)		G.R. (%)		G.R. (%)		G.R. (%)		G.R. (%)		G.R. (%)		G.R. (%)		G.R. (%)		G.R. (%)
2018	63,113	4.85	62,094	4.24	62,362	3.89	11,898	6.02	11,663	6.02	12,180	6.02	11,689	4.70	11,425	4.70	11,689	5.38
2019	66,171	4.85	64,727	4.24	64,743	3.82	12,622	6.09	12,281	6.09	12,784	6.09	12,240	4.71	11,964	4.71	12,240	4.72
2020	69,377	4.85	67,471	4.24	67,333	4.00	13,399	6.15	12,939	6.15	13,412	6.15	12,794	4.52	12,504	4.52	12,794	4.52
2021	72,528	4.54	70,209	4.06	70,010	3.98	14,180	5.83	13,609	5.83	14,087	5.83	13,443	4.53	13,071	4.53	13,443	5.07
2022	75,823	4.54	73,058	4.06	72,825	4.02	15,015	5.88	14,320	5.88	14,807	5.88	14,126	4.54	13,664	4.54	14,126	5.08
2023	79,267	4.54	76,022	4.06	75,783	4.06	15,906	5.94	15,074	5.94	15,579	5.94	14,846	4.55	14,285	4.55	14,846	5.09
2024	82,868	4.54	79,107	4.06	78,894	4.11	16,858	5.98	15,873	5.98	16,409	5.98	15,604	4.55	14,938	4.55	15,604	5.10
2025	86,632	4.54	82,317	4.06	82,074	4.03	17,354	2.94	16,287	2.94	17,361	2.94	16,402	4.56	15,617	4.56	16,402	5.11
2026	90,567	4.54	86,658	4.06	85,381	4.03	17,883	3.05	16,726	3.05	18,377	3.05	17,242	4.57	16,330	4.57	17,242	5.12
2027	94,681	4.54	89,133	4.06	88,822	4.03	18,449	3.16	17,192	3.16	19,482	3.16	18,126	4.58	17,078	4.58	18,126	5.13
2028	98,981	4.54	92,750	4.06	92,401	4.03	19,053	3.28	17,686	3.28	20,622	3.28	19,057	4.58	17,860	4.58	19,057	5.14
2029	103,477	4.54	96,514	4.06	96,125	4.03	19,699	3.39	18,210	3.39	21,860	3.39	20,038	4.59	18,679	4.59	20,038	5.15
2030	108,178	4.54	100,430	4.06	99,998	4.03	20,388	3.50	18,766	3.50	23,183	3.50	21,070	4.59	19,538	4.59	21,070	5.15
<b>Average Growth Rates:</b>																		
2018-2020		4.85		4.24		3.90		6.09		6.09		6.09		4.65		4.65		4.87
2021-2030		4.54		4.06		4.03		4.30		4.30		4.30		4.56		4.56		5.12
2018-2030		4.61		4.10		4.00		4.71		4.71		4.71		4.58		4.58		5.06
<b>SU/TL and Load Factor Assumptions:</b> Load Factor: 74.6% SU/TL: 7.15						<b>SU/TL and Load Factor Assumptions:</b> Load Factor: 71.6% SU/TL: 5.88%						<b>SU/TL and Load Factor Assumptions:</b> Load Factor: 72.6% SU/TL: 3.84%						
<b>Energy and Economic Growth Assumptions:</b> GDP Growth Rate: 2017 - 7%; 2018-2020 - 8%; 2021-2030 - 7.5% Electricity-to-GRDP Elasticity: 2017 - 0.7; 2018 - 0.7; 2021-2030 - 0.7						<b>Energy and Economic Growth Assumptions:</b> GDP Growth Rate: 2017 - 7%; 2018-2020 - 8%; 2021-2030 - 7.5% Electricity-to-GRDP Elasticity: 2017 - 1.0; 2018 - 1.0; 2021-2030 - 1.0						<b>Energy and Economic Growth Assumptions:</b> GDP Growth Rate: 2017 - 7%; 2018-2020 - 8%; 2021-2030 - 7.5% Electricity-to-GRDP Elasticity: 2017 - 1.0; 2018 - 1.0; 2021-2030 - 1.0						

Source: Power Development Plan 2016-2030, Department of Energy

**2017 MONTHLY ELECTRICITY SALES and POWER CONSUMPTION DATA**  
Philippines, in MWh

2017 MONTHLY ELECTRICITY SALES and POWER CONSUMPTION by SECTOR														
Luzon	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%SHARE
Residential	1,426,362	1,341,410	1,345,509	1,692,823	1,831,724	1,877,488	1,716,182	1,748,700	1,764,525	1,647,690	1,649,003	1,585,040	19,626,457	28.19%
Commercial	1,480,871	1,502,901	1,427,299	1,628,653	1,695,753	1,762,802	1,673,688	1,731,819	1,713,350	1,677,605	1,662,260	1,643,604	19,600,604	28.15%
Industrial	1,296,208	1,459,277	1,380,740	1,458,631	1,530,708	1,585,719	1,526,499	1,581,697	1,554,695	1,572,884	1,579,875	1,502,063	18,028,994	25.89%
Others	68,546	73,619	76,276	80,084	83,554	88,937	88,161	91,641	90,686	83,244	84,332	82,310	991,390	1.42%
<b>Total Sales</b>	<b>4,271,987</b>	<b>4,377,206</b>	<b>4,229,823</b>	<b>4,860,192</b>	<b>5,141,739</b>	<b>5,314,946</b>	<b>5,004,530</b>	<b>5,153,857</b>	<b>5,123,256</b>	<b>4,981,422</b>	<b>4,975,469</b>	<b>4,813,018</b>	<b>58,247,445</b>	<b>83.66%</b>
Own-Use	387,143	390,955	394,458	483,851	499,975	481,869	415,327	418,592	427,535	404,311	453,047	419,467	5,176,530	7.43%
System Loss	550,443	337,410	682,367	583,453	632,415	589,078	495,262	521,494	494,327	501,268	448,980	364,131	6,200,628	8.91%
<b>Total Consumption</b>	<b>5,209,574</b>	<b>5,105,571</b>	<b>5,306,648</b>	<b>5,927,495</b>	<b>6,274,129</b>	<b>6,385,893</b>	<b>5,915,119</b>	<b>6,093,943</b>	<b>6,045,118</b>	<b>5,887,001</b>	<b>5,877,497</b>	<b>5,596,615</b>	<b>69,624,603</b>	<b>100.00%</b>

2017 MONTHLY ELECTRICITY SALES and POWER CONSUMPTION by SECTOR														
Visayas	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
Residential	285,961	263,341	256,075	302,556	326,358	333,849	284,826	315,435	318,391	302,824	315,193	310,023	3,614,831	27.93%
Commercial	127,145	127,354	120,438	134,413	141,267	145,700	131,945	145,169	144,690	139,038	143,698	141,604	1,642,462	12.69%
Industrial	288,452	296,372	273,852	275,562	304,351	322,040	271,572	318,929	311,425	308,483	310,782	307,701	3,589,521	27.74%
Others	94,214	99,289	102,249	106,855	108,907	95,433	75,185	85,936	94,785	120,044	108,042	111,022	1,201,960	9.29%
<b>Total Sales</b>	<b>795,772</b>	<b>786,356</b>	<b>752,612</b>	<b>819,386</b>	<b>880,883</b>	<b>897,021</b>	<b>763,529</b>	<b>865,470</b>	<b>869,291</b>	<b>870,390</b>	<b>877,715</b>	<b>870,350</b>	<b>10,048,775</b>	<b>77.65%</b>
Own-Use	128,856	128,692	130,186	141,193	138,297	131,275	101,424	107,445	110,850	123,418	139,695	134,392	1,515,721	11.71%
System Loss	91,332	99,929	91,960	117,077	131,107	116,044	125,699	145,469	137,144	88,457	141,266	91,721	1,377,205	10.64%
<b>Total Consumption</b>	<b>1,015,959</b>	<b>1,014,978</b>	<b>974,759</b>	<b>1,077,656</b>	<b>1,150,286</b>	<b>1,144,339</b>	<b>990,651</b>	<b>1,118,385</b>	<b>1,117,285</b>	<b>1,082,265</b>	<b>1,158,676</b>	<b>1,096,463</b>	<b>12,941,701</b>	<b>100.00%</b>

2017 MONTHLY ELECTRICITY SALES and POWER CONSUMPTION by SECTOR														
Mindanao	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
Residential	290,809	275,247	258,959	307,649	302,384	306,108	291,579	301,757	300,876	293,747	308,008	303,624	3,540,745	30.00%
Commercial	120,628	121,845	117,425	128,922	129,478	131,243	123,597	132,479	130,677	129,567	129,825	129,229	1,524,915	12.92%
Industrial	299,118	317,872	298,435	326,746	332,856	333,713	329,250	353,962	341,564	339,688	348,055	333,492	3,954,752	33.50%
Others	40,052	41,040	35,249	36,940	36,199	39,298	39,546	40,091	42,962	40,640	42,759	41,402	476,178	4.03%
<b>Total Sales</b>	<b>750,607</b>	<b>756,003</b>	<b>710,069</b>	<b>800,256</b>	<b>800,917</b>	<b>810,362</b>	<b>783,971</b>	<b>828,289</b>	<b>816,080</b>	<b>803,643</b>	<b>828,647</b>	<b>807,747</b>	<b>9,496,590</b>	<b>80.45%</b>
Own-Use	74,101	64,893	64,696	74,792	74,689	54,302	68,358	65,738	77,331	79,759	84,512	76,726	859,896	7.28%
System Loss	94,646	128,100	105,606	145,014	131,641	123,114	115,037	116,583	105,572	122,751	135,104	124,383	1,447,551	12.26%
<b>Total Consumption</b>	<b>919,354</b>	<b>948,996</b>	<b>880,370</b>	<b>1,020,062</b>	<b>1,007,246</b>	<b>987,778</b>	<b>967,366</b>	<b>1,010,610</b>	<b>998,983</b>	<b>1,006,153</b>	<b>1,048,263</b>	<b>1,008,855</b>	<b>11,804,037</b>	<b>100.00%</b>

2017 MONTHLY ELECTRICITY SALES and POWER CONSUMPTION by SECTOR														
Philippines	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
Residential	2,003,132	1,879,998	1,860,542	2,303,028	2,460,466	2,517,445	2,292,587	2,365,892	2,383,791	2,244,262	2,272,204	2,198,667	26,782,033	28.38%
Commercial	1,728,645	1,752,100	1,665,162	1,891,988	1,966,497	2,039,745	1,929,230	2,009,466	1,988,717	1,946,210	1,935,783	1,914,438	22,767,981	24.13%
Industrial	1,883,778	2,073,520	1,953,027	2,060,939	2,167,916	2,241,471	2,127,321	2,254,589	2,207,684	2,221,055	2,238,712	2,143,255	25,573,267	27.10%
Others	202,812	213,948	213,773	223,879	228,660	223,668	202,891	217,668	228,434	243,928	235,133	234,735	2,669,529	2.83%
Total Sales	5,818,366	5,919,566	5,692,504	6,479,834	6,823,539	7,022,329	6,552,030	6,847,616	6,808,626	6,655,455	6,681,832	6,491,114	77,792,810	82.43%
Own-Use	590,100	584,540	589,340	699,835	712,960	667,445	585,109	591,775	615,716	607,488	677,254	630,584	7,552,147	8.00%
System Loss	736,421	565,439	879,933	845,544	895,162	828,236	735,998	783,547	737,043	712,476	725,351	580,234	9,025,384	9.56%
Total Consumption	7,144,887	7,069,545	7,161,777	8,025,213	8,431,661	8,518,010	7,873,136	8,222,938	8,161,386	7,975,419	8,084,436	7,701,933	94,370,341	100.00%

**Notes:**

*Own Use includes Distribution Utilities company used and Power Plants Station Used.*

*System Losses includes Distribution Utilities losses and Transmission losses (substation used, transformation and other unaccounted losses).*

*Others includes public buildings, street lights, irrigation, energy recovered and others not elsewhere classified.*

Released 21 March 2018

Source: 2017 Power Statistics, Department of Energy

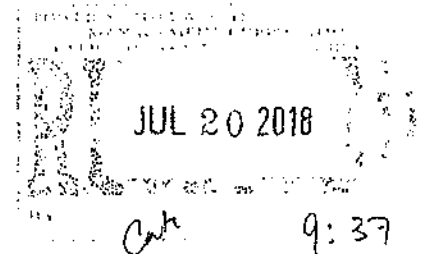


Republic of the Philippines  
COMMISSION ON AUDIT  
Commonwealth Avenue, Quezon City, Philippines

## INDEPENDENT AUDITOR'S REPORT

**ATTY. IRENE JOY BESIDO-GARCIA**

President & Chief Executive Officer  
Power Sector Assets and Liabilities Management Corporation  
Diliman, Quezon City



### *Unqualified Opinion*

We have audited the accompanying Variance Analysis Report (VAR) on the CYs 2007-2013 Stranded Contract Costs (SCC) Portion of the Universal Charge (UC) of the Power Sector Assets and Liabilities Management (PSALM) Corporation as of December 31, 2017 and the related Notes to the VAR.

In our opinion, the accompanying VAR for the Universal Charge Stranded Contract Cost (UC-SCC) as of December 31, 2017, present fairly, in all material respects, the variance or (over)/under-recovery as at December 31, 2017, in accordance with Energy Regulatory Commission (ERC) Resolution No. 02, Series of 2011, re: "Amended Rules for the Recovery of National Power Corporation (NPC) Stranded Contract Costs and Stranded Debts Portion of the Universal Charge", ERC Decision dated January 28, 2013 on ERC Case No. 2011-091 RC, and ERC Decision dated July 6, 2017 on ERC Case No. 2013-160 RC and 2014-111 RC.

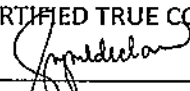
### *Basis for Unqualified Opinion*

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Variance Analysis Report section. We are independent of the PSALM Corporation in accordance with the ethical requirements that are relevant to our audit of the VAR, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Management's Responsibility for the Variance Analysis Report*

Management is responsible for the preparation, calculation and fair presentation of the VAR, in accordance with the ERC Resolution No. 02, Series of 2011, Re: "Amended Rules for the Recovery of the NPC Stranded Contract Cost and Stranded Debts Portion of the Universal Charge", ERC Decision dated January 28, 2013 on ERC Case No. 2011-091 RC, ERC Decision dated July 6, 2017 on ERC Case No. 2013-160 RC and 2014-111 RC, and for such internal

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LEA ANDREA L. DE CLARO

control as Management determines is necessary to enable the preparation of the VAR that is free from material misstatement whether due to fraud or error.

*Auditor's Responsibility for the Audit of Variance Analysis Report (VAR)*

Our objective is to obtain reasonable assurance about whether the CYs 2007-2013 VAR for the UC-SCC as a whole is free from material misstatement, whether due to fraud or error, and to issue our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of CYs 2007-2013 VAR for the UC-SCC.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the VAR, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PSALM Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the PSALM Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the PSALM Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the VAR, including the disclosures, and whether the VAR represent the underlying transactions and events in a manner that achieves fair presentation.


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

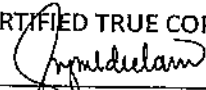
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LEA ANDREA L. DE CLARO



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

  
EYREN MARANAN-YULDE  
Supervising Auditor  
July 17, 2018

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POWER SECTOR  
ASSETS & LIABILITIES  
MANAGEMENT CORPORATION



Management  
System  
ISO 9001:2015

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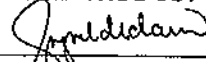
# Variance Analysis Report (VAR)

on the

## National Power Corporation's Stranded Contract Costs Portion of the Universal Charge for CYs 2007-2013

For the Period 01 April 2013 to 31 December 2017

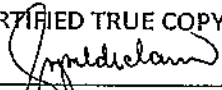
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POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION  
 CYs 2007 - 2013 UNIVERSAL CHARGE - STRANDED CONTRACT COST  
 VARIANCE ANALYSIS REPORT  
 For the Period 01 April 2013 to 31 December 2017

PARTICULARS	QUANTITY VARIANCE (GWh)	AMOUNT (PhP)	NOTES
<b>CYs 2007-2010 UC SCC</b>			
Billing Determinant and Approved Level of CYs 2007-2010 Stranded Contract Costs	277,875.00	53,851,000,000.00	1
Less: Energy Sales Billed/Remitted covering 01 April 2013 to 31 July 2017 Remittance Period	280,453.89	54,350,777,897.18	2
Quantity Variance/Under or (Over) Recovery	(2,578.89)	(499,777,897.18)	3
<b>CYs 2011-2013 UC SCC</b>			
Billing Determinant and Approved Level of CYs 2011-2013 Stranded Contract Costs	66,449.17	12,877,850,000.00	4
Less: Over Recovery from CYs 2007-2010 UC-SCC Remittances	2,578.89	499,777,897.18	5
SCC in the UC for CYs 2011-2013	63,870.28	12,378,072,102.82	5
Less: Energy Sales Billed/Remitted covering 01 August 2017 to 31 December 2017 Remittance Period	33,151.63	6,424,786,029.55	6
Quantity Variance/Under or (Over) Recovery	30,718.65	5,953,286,073.27	7

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**POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION**  
**NOTES TO VARIANCE ANALYSIS REPORT**  
**(In Philippine Peso)**

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**GENERAL INFORMATION**

On 7 February 2011, the Energy Regulatory Commission (ERC) issued Resolution No. 2, series of 2011 entitled "A Resolution Adopting the Amended Rules for the Recovery of NPC Stranded Contract Costs and Stranded Debts Portion of the Universal Charge ("Guidelines"). The Guidelines defined, among others, the parameters in preparing the Variance Analysis Report (VAR) which shall be the basis by which the ERC will approve inclusion of any under recovery in the current year's level of National Power Corporation's (NPC) Stranded Contract Costs (SCC) availment of the Universal Charge (UC) or mandate a reimbursement due to over recovery by way of a reduction in the current year's level of SCC share of the UC.

Article VIII of the Guidelines provides, among others, that true-up adjustment shall be conducted annually to be initiated by PSALM through submission to the ERC on or before the 15<sup>th</sup> day of March of every year of a detailed VAR certified by an Independent Third Party auditor.

**BASIS OF PREPARATION**

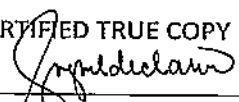
*Statement of Compliance*

The VAR to be submitted by PSALM to the ERC has been prepared in accordance with Section 2, Article VIII of the Guidelines which prescribes that it shall contain at the minimum, the following:

- a. The Variance analysis that would show a positive or negative Quantity Variance (QV), which refers to the difference between the energy sales used in determining the ERC-approved level of UC-SCC in PhP/kWh (billing determinant) and the actual energy (kWh) sales to end-users; and
- b. The over or under recovery for the stranded contract costs which shall be calculated by multiplying the QV by the PhP/kWh UC-SCC approved by the ERC.

Energy sales to end-users referred to under item "a" above corresponds to actual energy sales billed that were likewise remitted to PSALM (energy sales billed/remitted), in order to establish the actual costs physically recouped by PSALM. Costs are considered recovered only once the total costs of a project/activity, or in this case UC-SCC, has been recouped.

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### Functional and Presentation Currency

The VAR is presented in Philippine Peso, which is the Corporation's functional currency.

### VARIANCE ANALYSIS

#### 1. ERC-APPROVED CYs 2007-2010 UC-SCC & BILLING DETERMINANT

On 28 January 2013, the ERC issued a Decision on ERC Case No. 2011-091 RC, "In the Matter of the Petition for the Recovery of National Power Corporation's Stranded Contract Costs Portion of the Universal Charge, with Prayer for Provisional Authority", authorizing PSALM to recover UC-SCC for CYs 2007-2010 amounting to PhP53.851 Billion at the rate of PhP0.1938/kWh for the Luzon, Visayas and Mindanao Grids. The ERC directed all distribution utilities (DUs) and the National Grid Corporation of the Philippines (NGCP) to collect from the consumers the approved UC-SCC starting March 2013 billing period (26 February to 25 March 2013). Pursuant to Section 34 of Republic Act No. 9136, such collections by the DUs and the National Transmission Corporation or TRANSCO (now NGCP) shall be remitted to PSALM Corporation on or before the 15<sup>th</sup> of the succeeding month.

The billing determinant utilized by the ERC in its CYs 2007-2010 NPC SCC Decision is 277,875 GWh, which corresponds to the four (4) year electricity sales based on the Department of Energy (DOE) Sales under the Philippine Development Plan (PDP).

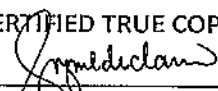
On 22 February 2017, PSALM filed an Urgent Motion for the continuous implementation of the ERC-approved CYs 2007-2010 UC-SCC, considering that PSALM expects to complete said UC-SCC recovery by July 2017 and not by February 2017 (end of the four (4)-year implementation of UC- SCC for CYs 2007-2010 as authorized by the ERC) as under-recovery as of 15 February 2017 posted PhP5,476,093,375.50. This request for extended implementation of recovery will prevent PSALM from resorting to borrowings to refinance portion of its maturing obligations. Consequently, this will enable PSALM to save on borrowing costs, which benefit will redound to all electricity end-users through a lower UC burden.

On 06 March 2017, the ERC authorized PSALM to continuously implement the UC-SCC rate of PhP0.1938/kWh until the approved amount of PhP 53.851 Billion UC-SCC is fully recovered. Further, the ERC directed all DUs and NGCP to continue collecting from consumers the PhP0.1938/kWh UC-SCC charge starting March 2017 billing period and remit the same to PSALM.

#### 2. UC-SCC REMITTANCES COVERING 1 APRIL 2013 TO 31 JULY 2017

From 01 April 2013 to 31 July 2017, total UC remittances made by the collecting entities to PSALM pertaining to the PhP0.1938/kWh UC-SCC approved by the ERC amounted to PhP54,350,777,897.18, as follows:

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PERIOD COVERED	AMOUNT (PhP)
01 April 2013 - 17 June 2013	1,859,256,657.29
18 June 2013 - 31 December 2013	5,909,546,643.07
01 January 2014 - 31 December 2014	11,713,422,288.19
01 January 2015 - 31 December 2015	12,644,710,941.30
01 January 2016 - 31 December 2016	13,943,254,802.37
01 January 2017 - 31 July 2017	8,280,586,564.96
<b>Total</b>	<b>54,350,777.897.18</b>

### Energy Sales Billed/Remitted

The equivalent energy sales billed/remitted corresponding to the actual UC-SCC remittance for the period 01 April 2013 to 31 July 2017 is 280,453.89 GWh derived by dividing the remittance amount of PhP54,350,777,897.18 by the ERC-approved UC-SCC rate of PhP0.1938/kWh (PhP53.851 Billion/277,875 GWh).

### 3. QUANTITY VARIANCE AND UNDER/(OVER)-RECOVERY AS OF 31 JULY 2017

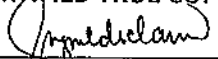
In accordance with the Guidelines, the QV, calculated as the difference between the billing determinant (277,875.00 GWh) and the equivalent energy sales billed/remitted (280,453.89 GWh), is negative 2,578.89 GWh.

The under/(over) recovery, pursuant to the Guidelines, is calculated by multiplying the QV of negative 2,578.89 GWh by the PhP0.1938/kWh SCC rate approved by the ERC (PhP53.851 Billion/277,875.47 GWh). The resulting under/(over) recovery for the CYs 2007-2010 UC-SCC for the period 01 April 2013 to 31 July 2017 is negative PhP499,777,897.18, representing an over-recovery, details of which are shown below:

PARTICULARS	QUANTITY VARIANCE (GWh*)	AMOUNT (PhP)	RATE (PhP/kWh)
Billing Determinant and Approved Level of CYs 2007-2010 Stranded Contract Costs	277,875.00	53,851,000,000.00	0.1938
Less: Energy Sales Billed/Remitted covering 1 April 2013 to 31 July 2017 Remittance Period (PhP54,350,777,897.18 / PhP0.1938/kWh)	280,453.89	54,350,777,897.18	0.1938
<b>Quantity Variance/ Under or (Over) Recovery</b>	<b>(2,578.89)</b>	<b>(499,777,897.18)</b>	<b>0.1938</b>

\*One (1) gigawatt-hour is equivalent to one (1) million kilowatt-hours

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#### 4. ERC-APPROVED CYs 2011-2013 UC-SCC & BILLING DETERMINANT

On 06 July 2017, ERC issued a Decision on ERC Case No. 2013-160 RC and 2014-111 RC, “In the Matter of the Petition for True-Up Adjustments for the National Power Corporation’s Stranded Contract Costs Portion of the Universal Charge for Calendar Years 2011 and 2012”, and “In the Matter of the Petition for the Availment of the National Power Corporation’s Stranded Contract Costs Portion of the Universal Charge for Calendar Year 2013 and True-Up Adjustments for the National Power Corporation’s Stranded Contract Costs Portion of the Universal Charge for Calendar Years 2007-2010” respectively, authorizing PSALM to recover UC-SCC for CYs 2011-2013 amounting to PhP12,877.85 Million at the rate of PhP0.1938/kWh for the Luzon, Visayas and Mindanao Grids. The ERC directed all DUs and the NGCP to collect from the consumers the approved UC-SCC starting July 2017 billing period (26 June to 25 July 2017). Pursuant to Section 34 of Republic Act No. 9136, such collections by the DUs and the National Transmission Corporation or TRANSCO (now NGCP) shall be remitted to PSALM Corporation on or before the 15<sup>th</sup> of the succeeding month.

The equivalent billing determinant of the ERC approved CYs 2011-2013 UC-SCC is 66,449.17 GWh, derived by dividing the approved amount of PhP12,877.85 Million by the rate of PhP0.1938/kWh.

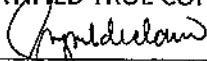
#### 5. OVER-RECOVERY FROM CYs 2007-2010 UC-SCC WAS USED TO REDUCE THE CYs 2011-2013 UC-SCC

Section 3, Article VII of the Guidelines provides, “that in the event that the total amount collected for the NPC SCC is greater than actual disbursements from the proceeds of the corresponding share in the UC, PSALM shall retain the balance within the specific Special Trust Fund to pay for periods where a shortfall occurs. However, in cases where over-recovery occurs, PSALM shall use the previous year’s plus amount to reduce the corresponding required NPC SCC in the UC for the current year”.

Considering that remittance of UC-SCC for CYs 2007-2010 posted an over-recovery amounting to PhP499,777,897.18, said over-recovery was used to reduce the CYs 2011-2013 UC-SCC from PhP12,877,850,000.00, based on the approval of ERC on 06 July 2017, to PhP12,378,072,102.82, pursuant to Section 3, Article VII of the Guidelines. Further, the billing determinant for the CYs 2011-2013 UC-SCC was also reduced from 66,449.17 GWh to 63,870.28 GWh, details as follows:

PARTICULARS	QUANTITY VARIANCE (GWh)	AMOUNT (PhP)
Billing Determinant and Approved Level of CYs 2011-2013 Stranded Contract Costs	66,449.17	12,877,850,000.00
Less: Over Recovery from CYs 2007-2010 UC-SCC Remittances	2,578.89	499,777,897.18
SCC in the UC for CYs 2011-2013	63,870.28	12,378,072,102.82

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## 6. UC-SCC REMITTANCES COVERING 01 AUGUST TO 31 DECEMBER 2017

From 01 August 2017 to 31 December 2017, total UC remittances made by the collecting entities to PSALM pertaining to the PhP0.1938/kWh UC-SCC approved by the ERC for CY 2011-2013 UC-SCC amounted to PhP6,424,786,029.55, as follows:

PERIOD	AMOUNT (PhP)
August 1-15, 2017	1,278,635,987.71
August 16-31, 2017	25,412,154.71
September 1-15, 2017	1,244,532,907.78
September 16-30, 2017	37,090,778.03
October 1-18, 2017	1,284,848,182.68
October 19-31, 2017	16,086,887.46
November 1-16, 2017	1,279,539,147.26
November 16-30, 2017	21,687,728.25
December 1-15, 2017	1,201,609,859.14
December 16-30, 2017	35,342,396.53
<b>Total</b>	<b>6,424,786,029.55</b>

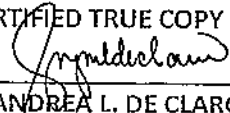
### *Energy Sales Billed/Remitted*

The equivalent energy sales billed/remitted corresponding to the actual UC-SCC remittance for the period 01 August 2017 to 31 December 2017 is 33,151.63 GWh (PhP6,424,786,029.55/ PhP0.1938/kWh).

## 7. QUANTITY VARIANCE AND UNDER-RECOVERY AS OF 31 DECEMBER 2017

The QV as of 31 December 2017 is 30,718.65 GWh, calculated as the difference between the billing determinant (63,870.28 GWh) and the equivalent energy sales billed/remitted (33,151.63 GWh). The resulting under/(over) recovery for the CYs 2011-2013 UC-SCC for the period 01 August 2017 to 31 December 2017 is PhP5,953,286,073.27, calculated by multiplying the QV of 30,718.65 GWh by the PhP0.1938/kWh SCC, details of which are shown below:

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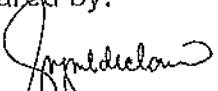
  
LEA ANDREA L. DE CLARO




PARTICULARS	QUANTITY VARIANCE (GWh*)	AMOUNT (PhP)	RATE (PhP/kWh)
SCC in the UC for CYs 2011-2013	63,870.28	12,378,072,102.82	0.1938
Less: Energy Sales Billed/Remitted covering 01 August 2017 to 31 December 2017 Remittance Period (PhP6,424,786,029.55/ PhP0.1938/kWh)	33,151.63	6,424,786,029.55	0.1938
<b>Quantity Variance/ Under or (Over) Recovery</b>	<b>30,718.65</b>	<b>5,953,286,073.27</b>	<b>0.1938</b>

\*One (1) gigawatt-hour is equivalent to one (1) million kilowatt-hours

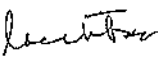
Prepared by:

  
LEA ANDREA L. DE CLARO  
Senior Finance Analyst  
FVTD-UCAD

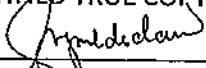
Reviewed by:

  
ROCHELLE V. MORENO  
Division Manager  
FVTD-UCAD

Approved by:

  
LUISA A. ESTEBAN  
Department Manager  
UCAD

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LEA ANDREA L. DE CLARO



## **CERTIFICATE OF ACKNOWLEDGEMENT AND POSTING**

This is to certify that the **PETITION** dated 24 July 2018 of the Energy Regulatory Commission relative to unnumbered ERC Case, entitled:

**"PETITION FOR THE AVAILMENT OF THE NATIONAL POWER CORPORATION'S (NPC) STRANDED CONTRACT COSTS (SCC) PORTION OF THE UNIVERSAL CHARGE (UC) FOR CALENDAR YEAR (CY) 2017 AND TRUE-UP ADJUSTMENTS OF THE NPC SCC PORTION OF THE UC FOR CYS 2007-2013, WITH PRAYER FOR PROVISIONAL AUTHORITY,**

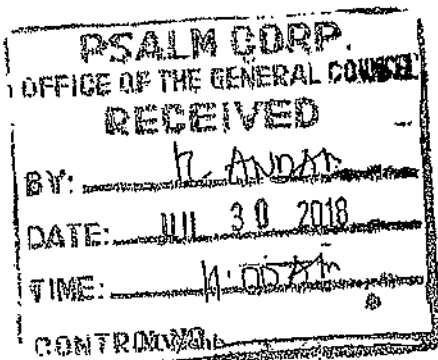
**POWER SECTOR ASSETS AND LIABILITIES  
MANAGEMENT (PSALM) CORPORATION**

*Petitioner"*

was received by this office on 27 July 2018 and same was posted at the Bulletin Board of the Quezon City Council on the same date and will remain thereat for a period of 15 days.

This certification is issued upon the request of Mr. Geoffry D. Masancay for whatever legal purpose it may serve.

Quezon City, 30 July 2018.



  
**ATTY. JOHN THOMAS S. ALFEROS III**  
Secretary to the Sangguniang Panlungsod

REPUBLIC OF THE PHILIPPINES )  
QUEZON CITY ) s.s.

**AFFIDAVIT OF PUBLICATION**

I, **ARLYN F. SERVAÑEZ**, of legal age, single, Filipino and with office address at c/o **PhilSTAR Daily, Inc.**, 202 Railroad Street corner Roberto S. Oca Street, Port Area, Manila, after being duly sworn to in accordance with law, depose and state:

That I am the **CLASSIFINDER MANAGER** of the **PhilSTAR Daily, Inc.** a domestic corporation duly organized and existing under by virtue of Philippine laws with office and business address at 202 Railroad Street corner Roberto S. Oca Street, Port Area, Manila.

That the said corporation publishes **THE PHILIPPINE STAR**, a daily broadsheet newspaper published in English and of general circulation.

That the order of Power Sector Assets and Liabilities Management Corporation (PSALM)

captioned as follows: Petition

Please see attached printed text which had been published in **The Philippine STAR** in its issues of: July 28, 2018

FURTHER AFFIANT SAYETH NAUGHT.  
Manila, Philippines

*Arlyn F. Servañez*  
**ARLYN F. SERVAÑEZ**  
Affiant

SUBSCRIBED AND SWORN to before me this 30<sup>th</sup> day of July 2018 affiant exhibited to me her Driver's License No. NO1-01-259491 issued by LTO on September 22, 2015 which expiry date is September 24, 2018.

Doc. No. 253  
Page No. 52  
Book No. V  
Series of 2018

*Gary A. Sancio*  
**GARY A. SANCIO**  
Notary Public  
Until December 31, 2018  
IBP NO. 1023498/01-05-17/Q.C.  
PTR NO. 2181536/01-05-18/Q.C.  
MCLE Compliance No. V-0023196  
Roll No. 44261

**PETITION FOR THE AVAILMENT OF THE NATIONAL POWER CORPORATION'S (NPC) STRANDED CONTRACT COSTS (SCC) PORTION OF THE UNIVERSAL CHARGE (UC) FOR CALENDAR YEAR (CY) 2017 AND TRUE-UP ADJUSTMENTS OF THE NPC SCC PORTION OF THE UC FOR CYs 2007-2013, WITH PRAYER FOR PROVISIONAL AUTHORITY**

ERC CASE NO. 2018-

**POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT (PSALM) CORPORATION**  
Petitioner

**PETITION**

Petitioner POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION (hereinafter, "PSALM"), by counsel, respectfully states:

**NATURE OF THE PETITION**

1. This is a Petition for the availment from the Universal Charge (hereinafter, "UC") of the National Power Corporation's (hereinafter, "NPC") Stranded Contract Costs (hereinafter, "SCC") for Calendar Year (hereinafter, "CY") 2017 and submission of the True-Up Adjustment of the NPC SCC Portion of the UC for CYs 2007-2013 pursuant to Republic Act No. 9136 or the "Electric Power Industry Reform Act of 2001" (hereinafter, "EPIRA") and the Amended Rules for Recovery of NPC Stranded Contract Costs and Stranded Debt Portion of the Universal Charge (hereinafter, "Amended Rules for Recovery") as adopted by the Energy Regulatory Commission (hereinafter, "ERC") Resolution No. 02-2011 dated 07 February 2011.

2. Section 4(d), Rule 1B of the EPIRA-IRR provides that petitions for availment under the UC for the succeeding years shall be submitted to the Honorable Commission on or before 15 March of every year.

3. Under Article IV, Section 9 of the Amended Rules for Recovery, PSALM shall file the petition for availment from the UC for NPC's SCC in accordance with Section 4 (f), Rule 3 of the EPIRA-IRR and the Honorable Commission's Rules of Practice and Procedure.

4. Under Article II of the Amended Rules of Recovery, true up adjustments of the UC for NPC SCC for subsequent years shall be submitted to the Honorable Commission on or before the 15<sup>th</sup> of March every year thereafter. True up adjustments shall be done on an annual basis to be initiated by Petitioner through submission of the Variance Analysis Report (hereinafter, "VAR") certified by an Independent Third Party auditor on or before the 15<sup>th</sup> day of March of every year.

**TIMELINESS OF THE PETITION**

5. In a letter dated 02 February 2018, Petitioner requested for an extension of the deadline to file/submits among others, the (i) the petition for the availment of the UC-SCC for CY 2017, (ii) the true-up adjustment of the UC-SCC for CYs 2007-2010, and (iii) the update/VAR on the implementation of the UC-SCC for CYs 2011-2013, from 15 March 2018 to 31 July 2018, on the ground that the 15 March original deadline is no longer feasible considering that the CY 2017 certified financial statements of PSALM which serve as the bases in calculating the UC-SCC is still subject for approval of the PSALM Board of Directors and the data contained in the financial statement needs to be analyzed and processed to identify and properly classify the components that are eligible for recovery under the UC-SCC. In a letter dated 13 March 2018, the Honorable Commission granted Petitioner's request and directed it to file/submits the UC-SCC petition for CY 2017, true-up adjustments for CY 2007-2010 and update/VAR on the implementation of the UC-SCC for CYs 2011-2013 on or before 31 July 2018. Copies of the said letter request for extension and the approval of the Honorable Commission are attached hereto and made integral parts hereof as Annexes "A" and "B", respectively.

6. Hence, the instant Petition and True-Up Adjustments is timely filed/submitted.

**III. PETITIONER**

7. Petitioner is a government-owned and controlled corporation created by virtue of the EPIRA, with principal office address at 3/F National Transmission Corporation Building, Power Center, Quezon Avenue corner BIR Road, Diliman, Quezon City. It may be served with notices, orders, and other processes of the Honorable Commission through the undersigned counsel with office address of PSALM.

8. The principal mandate of Petitioner is to manage the orderly sale, disposition, and privatization of NPC generation assets, real estate and other disposable assets, and Independent Power Producer (hereinafter, "IPP") contracts with the objective of liquidating all NPC financial obligations and stranded contract costs in the "orderly manner." To attain its objective, Petitioner shall, among others, (i) allocate the amount of the stranded contract costs of NPC which shall form the basis for the Honorable Commission in the determination of the universal charge, and (ii) liquidate the NPC stranded contract costs, utilizing the proceeds from sales and other property contributed to it, including the proceeds from the universal charge.

**IV. NPC'S STRANDED CONTRACT COSTS**

9. Stranded Contract Costs of NPC refers to the "costs of the contracted cost of electricity under eligible contracts over the actual selling price of the contracted energy output of such contracts in the market." Market as defined in the Amended Rules for Recovery refers to the "Wholesale Electricity Spot Market (WESM) where electricity traded includes, but is not limited to, Spot Sales, Transition Supply Contracts (TSCs), Bilateral Contracts, One Day Power Sale (ODPS), Default Wholesale Supplier (DWS) service, and Ancillary Services." To be eligible for recovery under the UC, such contracts shall have been approved by the Energy Regulatory Board (hereinafter, "ERB") as of 31 December 2000.

10. For purposes of the UC-SCC calculation, IPP Contracts of NPC eligible for recovery under the UC-SCC (hereinafter, "Eligible IPP Contracts") shall refer to "generation capacities developed under the Build-Operate-Transfer scheme and any such generation asset whose construction was not financed by NPC but whose output is bought by NPC under Purchase Power Agreements (PPAs), Energy Conversion Agreements (ECAs) or any other similar contractual relationship." The IPP Contracts shall also include Rehabilitate Opened Lanes (ROL) and Rehabilitate Operate Maintain types of IPP Contracts.<sup>12</sup> In accordance with Section 32 of the EPIRA, only contracts duly approved by the ERB, as of 31 December 2000 shall be entitled for recovery through the UC-SCC.

11. On 26 December 2010, the commercial operation of the WESM in the Visayas Grid and its integration with the Luzon Grid commenced.<sup>13</sup>

12. Based on the above definition and for the purpose of this filing, the following are the Eligible IPP Contracts, which are eligible for recovery under UC-SCC:

- a. Benguet Mini-Hydro (Ampehaw and Bakun);
- b. Paguao I & II;
- c. Sual I & II and
- d. Unified Leyte (Leyte A and B)

13. The annual UC-SCC shall be computed as the difference between the Gross Annual Contract Costs (hereinafter, "GACC") and combined amounts derived from the Recovery, from the Sale of Contracted Energy of Eligible IPP Contracts (hereinafter, "ESCE") and the Privatization proceeds of the Eligible IPP Contracts (hereinafter, "EPP").

**IV - A. GROSS ANNUAL CONTRACT COSTS**

14. For purposes of this filing, the GACC is composed of capacity fees, fixed operating and maintenance fee (hereinafter, "FOM"), other power supply (hereinafter, "OPS"), other Operating Expenses (hereinafter, "OPEX"), variable OPS (when purchased power cost varies with volume of energy), and energy purchased from Philippine Electricity Market Corporation (hereinafter, "PEMP").

15. For CY 2017, the GACC amounted to a total of PhP4,029 Billion with details as follows:

Category	2017	2016	2015	2014	2013
Capacity Fees	1,029,000,000	1,029,000,000	1,029,000,000	1,029,000,000	1,029,000,000
Fixed Operating and Maintenance	1,029,000,000	1,029,000,000	1,029,000,000	1,029,000,000	1,029,000,000
Other Power Supply	1,029,000,000	1,029,000,000	1,029,000,000	1,029,000,000	1,029,000,000
Other Operating Expenses	1,029,000,000	1,029,000,000	1,029,000,000	1,029,000,000	1,029,000,000
Variable OPS	1,029,000,000	1,029,000,000	1,029,000,000	1,029,000,000	1,029,000,000
Energy Purchased from PEMP	1,029,000,000	1,029,000,000	1,029,000,000	1,029,000,000	1,029,000,000
<b>Total</b>	<b>4,029,000,000</b>	<b>4,029,000,000</b>	<b>4,029,000,000</b>	<b>4,029,000,000</b>	<b>4,029,000,000</b>

Table 1. Gross Annual Contract Costs

16. For Benguet Mini Hydro, the components of GACC were lifted from the Operating Results of Eligible IPPs or Results of Operation (hereinafter, "ROO"), As to Unified Leyte, the FOM-OPS was lifted from the ROO, the Variable-OPS was sourced from the monthly IPP payment vouchers less the FOM-OPS, while the OPEX was lifted from the ROO and Other OPEX of Eligible Plants under IPP Administrator Agreement (hereinafter, "IPFAA"). For Sual and Paguao, which are under IPFAA, components of GACC were sourced from the monthly IPP payment vouchers and Other OPEX of Eligible Plants under IPFAA. Copies of the ROO, Summary of Fixed and Variable Costs of Eligible IPPs under IPFAA and Other OPEX of Eligible Plants under IPFAA are attached hereto and made integral parts hereof as Annexes "C", "D" and "E", respectively.

**IV - B. REVENUES FROM THE SALE OF CONTRACTED ENERGY OF ELIGIBLE IPP CONTRACTS**

17. For purposes of this filing, the ESCE refers to the following sources of revenue: (a) Sales in WESM, including net settlement surplus (hereinafter, "NSS") and (b) Sales under Transition Supply Contract (hereinafter, "TSC"). Uninterrupted penalties imposition circumstances which drew power lower than or in excess of their contracted level of energy.

18. For CY 2017, the ESCE amounted to a total of PhP5,333 Billion with details as follows:

Category	2017	2016	2015	2014	2013
Sales in WESM	2,822,255,000	2,822,255,000	2,822,255,000	2,822,255,000	2,822,255,000
Sales in TSC	2,510,778,000	2,510,778,000	2,510,778,000	2,510,778,000	2,510,778,000
<b>Total</b>	<b>5,333,033,000</b>	<b>5,333,033,000</b>	<b>5,333,033,000</b>	<b>5,333,033,000</b>	<b>5,333,033,000</b>

Table 2. Revenues from the Sale of Contracted Energy

19. Components of the ESCE were lifted from the Net Utility Revenue portion of the ROO. ESCE excludes the Power Act Reduction and Prudent Payment Discount adjustments which have been allowed for recovery by the Honorable Commission in its Decision dated 28 January 2013 in ERC Case No. 2011-091 RC.

**IV - C. PROCEEDS FROM PRIVATIZATION OF ELIGIBLE IPP CONTRACTS**

20. For purposes of this filing, the EPP includes, among others, payments from the IPFAA, namely, monthly payments for amortization payments/energy fee of Unified Leyte Strip, Paguao and Sual IPP Administrations. This also includes the forfeiture of the Performance Bond in relation to the termination of IPFAA and from FDC Utilities, Inc. and PSALM for 40 MW UL Strip on 04 September 2017.

21. For CY 2017, EPP amounted to a total of PhP23,468 Billion with details as follows:

Category	2017	2016	2015	2014	2013
IPFAA Payments	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Performance Bond	17,000,000,000	17,000,000,000	17,000,000,000	17,000,000,000	17,000,000,000
Other EPP	5,468,000,000	5,468,000,000	5,468,000,000	5,468,000,000	5,468,000,000
<b>Total</b>	<b>23,468,000,000</b>	<b>23,468,000,000</b>	<b>23,468,000,000</b>	<b>23,468,000,000</b>	<b>23,468,000,000</b>

Table 3. Proceeds from Privatization

22. For Paguao and Sual/Monthly Payments from its IPFAAs which are Thermo Luzon, Inc. and San Miguel Energy Corporation, respectively, were lifted from the Schedule of IPFAA Monthly Payment while Energy Fees are based on the Summary of IPFAA Billings-Energy Fees. For Unified Leyte, Generation Payments from its IPFAAs or the Strip Co-owns which are Absolute Energy Solutions, Inc., EDC Utilities, Inc., Corec Friends Hydro Resources Corporation, Philma Energy Corporation, Unified Leyte Geothermal Energy, Inc., Vivant Energy Corporation and Waterfront Machan Casino Hotel, Inc. were lifted from the Summary of IPFAA Billings - UL Strip Generation Payments.

23. Copy of the IPFAA Monthly Payments and of Eligible Plants for SCC calculation is attached hereto and made an integral part hereof as Annex "F", the IPFAA Monthly Payments of Eligible Plants as Annex "G" and the VAT on Privatization Proceeds as Annex "H-2". Copies of the Summary of IPFAA Billings-UL Strip Generation Payments and Summary of IPFAA Billings-Energy Fees are attached hereto as Annexes "G" and "H", respectively.

24. The PF is net of Value Added Tax (hereinafter, "VAT"), consistent with the Bureau of Internal Revenue (BIR) Revenue Memorandum Circular No. 11-2012<sup>14</sup> which states, among others, that "[c]onsidering that the sale of electricity is now subject to VAT, the real property sold by PSALM no longer qualifies as real property used in the trade or business. While BIR is clear under the Tax Code of 1997 that such sale is not subject to income tax, there is no provision under the same Code that exempts it from VAT nor subject it to VAT at zero rate."

25. Considering further that the IPFAAs between PSALM and the IPP Administrations provide that "[i]n the event that the Monthly Payments are determined with finally to be subject to value added tax, all applicable value added tax on such payments shall be for the account of PSALM...," for purposes of SCC calculations, the IPP Administrator Monthly Payments received by PSALM were reduced by the VAT shouldered by PSALM.

**V. NPC'S STRANDED CONTRACT COSTS**

26. Based on the foregoing, the SCC for CY 2017 amounts to PhP229 Billion computed as the difference between the GACC and the combined amounts derived from the ESCE and EPP, with details as follows:

Category	2017	2016	2015	2014	2013
GACC	4,029,000,000	4,029,000,000	4,029,000,000	4,029,000,000	4,029,000,000
ESCE	(2,822,255,000)	(2,822,255,000)	(2,822,255,000)	(2,822,255,000)	(2,822,255,000)
EPP	(1,187,745,000)	(1,187,745,000)	(1,187,745,000)	(1,187,745,000)	(1,187,745,000)
<b>Total</b>	<b>101,999,999,999</b>	<b>101,999,999,999</b>	<b>101,999,999,999</b>	<b>101,999,999,999</b>	<b>101,999,999,999</b>

Table 4. Details of Stranded Contract Costs

27. Consistent with the Honorable Commission's Decision in ERC Case No. 2011-091 RC mentioned above, wherein the Honorable Commission used four (4) years' forecast of electricity sales based on the Department of Energy's (hereinafter, "DOE") Power Development Plan (hereinafter, "PDF") in determining the four (4) years 2007-2010 UC-SCC rate, the UC-SCC rate for CY 2017 is derived by dividing the calculated CY 2017 SCC by one (1) year Electricity Sales Forecast for CY 2019 based on the PDF (2016-2030). The calculated SCC rate is PhP0.052/kWh with details as follows:

Category	2017	2016	2015	2014	2013
UC-SCC Rate	0.052	0.052	0.052	0.052	0.052
<b>Total</b>	<b>0.052</b>	<b>0.052</b>	<b>0.052</b>	<b>0.052</b>	<b>0.052</b>

28. A copy of the Electricity Sales Forecast, PDF (2016-2030) as sourced from the DOE is attached hereto and made an integral part, hereof as Annex "I".

**VI. VARIANCE ANALYSIS REPORT FOR CYs 2007-2013**

29. Article VII of the Amended Rules for Recovery provides, among others, that true-up adjustments shall be done on an annual basis to be initiated by Petitioner through submission to the Honorable Commission of a detailed VAR certified by an Independent Third Party auditor. The VAR shall be the basis by which the Honorable Commission will approve inclusion of any under recovery in the current year's level of UC-SCC or mandate a reimbursement due to over recovery by way of reduction in the current year's level of UC-SCC.

30. Under Section 2, Article VIII of the Amended Rules for Recovery, the VAR to be submitted by the Petitioner to the Honorable Commission for the UC-SCC recovery shall contain, at the minimum, the following:

- a. The variance analysis that would show a positive or negative Quantity Variance (hereinafter, "QV"), which refers to the difference between the energy sales used in determining the ERB-approved level of NPC SCC in PhP/kWh (billing determinant) and the actual energy (kWh) sales to end-users; and
- b. The over or under recovery for the stranded contract costs which shall be calculated by multiplying the QV by the PhP/kWh SCC approved by the ERB.

**VI - A. CYs 2007-2010 UC-SCC QV AND UNDER/OVER RECOVERY FOR THE REMITTANCE PERIOD 01 APRIL 2013 - 31 JULY 2017**

31. In the Honorable Commission's Decision dated 28 January 2013 in ERC Case No. 2011-091 RC, Petitioner was authorized to recover the total UC-SCC for CYs 2007-2010 amounting to PhP3,851 Billion, equivalent to PhP0.1938/kWh for the Luzon, Visayas and Mindanao Grids, to be collected from the consumers starting March 2013 billing period (26 February 2013 - 25 March 2013).

32. The billing determinant utilized by the Honorable Commission is 277,878 GWh, which corresponds to the four (4) year electricity sales under the DOE's PDF.

33. On 22 February 2017, Petitioner filed an Urgent Motion for the continuous implementation of the ERB-approved UC-SCC for CYs 2007-2010 considering that there is still an under recovery amounting to PhP5,476,093,375.50 as of 15 February 2017 which is the end of the four (4)-year implementation of UC-SCC for CYs 2007-2010. Further, uninterrupted implementation of the UC-SCC rate would create continuous revenue stream for Petitioner; otherwise, Petitioner may be forced to resort to borrowings to finance portion of its pending obligations which cannot be covered by its privatization proceeds and losses from operations.

34. The Honorable Commission, in its Order dated 06 March 2017, granted Petitioner's Motion and authorized Petitioner to continuously implement the UC-SCC rate of PhP0.1938/kWh until the approved amount of PhP3,851 Billion UC-SCCs fully recovered.

35. For the period 01 April 2013 to 31 July 2017, the total UC-SCC remittance made by the collecting entities to Petitioner amounted to PhP5,350,777,977.18 with an equivalent energy sales billed/remitted of 29,457.89 GWh which was derived by dividing the remittance amount of PhP5,350,777,977.18 by the ERB-approved UC-SCC rate of PhP0.1938/kWh (PhP5,351 Billion / 277,878 GWh).

36. In accordance with the Amended Rules for Recovery, the QV calculated as the difference between the billing determinant (29,457.89 GWh) and the equivalent energy sales billed/remitted (29,457.89 GWh) is negative 457.89 GWh.

37. In accordance with the Amended Rules for Recovery, the over recovery is calculated by multiplying the QV of negative 457.89 GWh by the PhP0.1938/kWh SCC rate approved by the Honorable Commission of PhP5,351 Billion / 277,878 GWh. The result is an over recovery of PhP89,737,897.18 for the CYs 2007-2010 UC-SCC for the period of 01 April 2013 to 31 July 2017, with details as follows:

Category	2017	2016	2015	2014	2013
Under Recovery	1,125,315,400.00	1,125,315,400.00	1,125,315,400.00	1,125,315,400.00	1,125,315,400.00
Over Recovery	(89,737,897.18)	(89,737,897.18)	(89,737,897.18)	(89,737,897.18)	(89,737,897.18)
<b>Total</b>	<b>1,035,577,502.82</b>	<b>1,035,577,502.82</b>	<b>1,035,577,502.82</b>	<b>1,035,577,502.82</b>	<b>1,035,577,502.82</b>

**VI - B. CYs 2011-2013 UC-SCC QV AND UNDER/OVER RECOVERY FOR THE REMITTANCE PERIOD 01 AUGUST 2017 - 31 DECEMBER 2017**

38. In the Honorable Commission's Decision dated 06 July 2017 in ERC Case No. 2013-160 RC and 2014-111 RC, Petitioner was authorized to recover the UC-SCC for CYs 2011-2013 amounting to PhP2,278 Billion, at the rate of PhP0.1938/kWh for the Luzon, Visayas and Mindanao Grids to be collected from the consumers for a period of ten (10) months starting July 2017 billing period (26 June 2017 - 25 July 2017).

39. The equivalent billing determinant of the ERB-approved CYs 2011-2013 UC-SCC is 66,449.17 GWh which was derived by dividing the approved amount of PhP2,278 Billion by the rate of PhP0.1938/kWh.

40. Section 3, Article VII of the Amended Rules for Recovery provides that "[i]n the event that the total amount collected for the NPC SCC is greater than actual disbursements from the proceeds of the corresponding share in the UC, PSALM shall retain the balance within the specific Special Trust Fund to pay for periods where a shortfall occurs. However, in case where over-recovery occurs, PSALM shall use the excess year's plus amount to reduce the corresponding required NPC SCC in the UC for the current year."

41. Considering that the remittance of UC-SCC for CYs 2007-2010 paid an over-recovery amounting to PhP499,777,897.18, said over-recovery was used to reduce the CYs 2011-2013 UC-SCC from PhP2,278 Billion to PhP2,378,072,822. Accordingly, the billing determinant for the CYs 2011-2013 UC-SCC was also reduced from 66,449.17 GWh to 63,870.28 GWh.

42. For the period 01 August 2017 to 31 December 2017, the total UC-SCC remittance made by the collecting entities to Petitioner amounted to PhP6,424,786,029.55 with an equivalent energy sales billed/remitted of 33,151.63 GWh which was derived by dividing the remittance amount of PhP6,424,786,029.55 by the ERB-approved UC-SCC rate of PhP0.1938/kWh.

43. In accordance with the Amended Rules for Recovery, the QV calculated as the difference between the billing determinant (33,151.63 GWh) and the equivalent energy sales billed/remitted (33,151.63 GWh) is zero 718.65 GWh.

44. The over/under recovery pursuant to the Amended Rules for Recovery, is calculated by multiplying the QV of 718.65 GWh by the PhP0.1938/kWh SCC rate approved by the Honorable Commission, thus, resulting to an under-recovery for the CYs 2011-2013 UC-SCC amounting to PhP139,286,073.27, details of which are shown below:

Category	2017	2016	2015	2014	2013
Under Recovery	139,286,073.27	139,286,073.27	139,286,073.27	139,286,073.27	139,286,073.27
Over Recovery	(139,286,073.27)	(139,286,073.27)	(139,286,073.27)	(139,286,073.27)	(139,286,073.27)
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

45. A copy of the detailed VAR for the UC-SCC for CYs 2007-2013 covering the period 01 April 2013 to 31 December 2017, certified by the Commission on Audit is attached hereto and made an integral part hereof as Annex "J".

46. In compliance with Section 4(f) of Rule 3 of the EPIRA-IRR and Rule 6 of the ERC Resolution No. 35-2006, a copy of the instant

Petition (including Annexes) was furnished the Sangguniang Panlungsod of Quezon City. A copy of the Certification of Filing/Affidavit of Service is attached hereto and made an integral part hereof as Annex "K". The Petition (excluding Annexes) was also published in a newspaper of general circulation. A copy of the Affidavit of Publication is attached hereto and made an integral part hereof as Annex "L".

### VII ALLEGATIONS IN SUPPORT OF THE ISSUANCE OF PROVISIONAL AUTHORITY

47. The instant petition covers the UC-SCC for CY 2017. The issuance of provisional authority for this petition would enable PSALM to immediately recover SCC, and use the UC-SCC proceeds to service maturing loan obligations that were incurred for the eligible IPP contracts. Provisional approval of this SCC will also reduce refinancing requirements of PSALM to service these maturing obligations, thus lessening additional borrowing costs.

48. Pursuant to the Honorable Commission's Rules of Practice and Procedure, the Honorable Commission may exercise its discretion by granting provisional authority (hereinafter, "PA") or interim relief prior to a final decision.

49. In support of the prayer for the issuance of Provisional Authority, the Affidavit of Ms. Luisa A. Esteban, Manager of Petitioner's Universal Charge and Administration Department, establishing certain facts and circumstances that would justify the Honorable Commission's exercise of discretion by granting PA or interim relief prior to a final decision is attached hereto and made an integral part hereof as Annex "M".

50. It is understood that the interim relief sought by Petitioner, that may be granted by the Honorable Commission shall be subject to adjustments and other conditions that the Honorable Commission may impose after hearing and final determination of the Honorable Commission.

### PRAYER

WHEREFORE, premises considered, Petitioner respectfully prays, after due notice and hearing, for the APPROVAL of the following:

1. The calculated NPC SCC Portion of the UC for CY 2017 in the amount of PhP5,228,678,356.46, which is equivalent to PhP0.0582/kWh covering a one-year recovery period.
2. The True-Up Adjustment of the NPC SCC Portion of the UC for CYs 2007-2013 which resulted to an under-recovery in the amount of PhP5,953,266,073.77 for the remittance period 01 April 2013 to 31 December 2017.
3. Provisional Authority or Interim relief allowing Petitioner to charge and collect the computed NPC SCC Portion of the UC for CY 2017 or such amount determined by the Honorable Commission.

Other reliefs just and equitable are likewise prayed for.

Quezon City for Pasig City, 24 July 2018.

**GEOFFREY M. MASANCAY**  
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MCLB Compliance No. V-0912426 (12-10-15)  
Roll of Attorney No. 26296

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Email address: maclebarva@psalm.gov.ph

(Republic of the Philippines)  
(Quezon City) S.S.

### VERIFICATION AND CERTIFICATION

I, IRENE JOY BESIDO - GARCIA, of legal age, married, with office address at the Power Sector Assets and Liabilities Management (PSALM) Corporation, 3/F National Transmission Corporation Building, Power Center, Quezon Avenue corner BIR Road, Diliman, Quezon City, after having been duly sworn to in accordance with law, do hereby depose and state for myself and for PSALM:

- (1) I am the designated President and Chief Executive Officer of the Power Sector Assets and Liabilities Management (PSALM) Corporation with authority to commence, initiate, sign and file the foregoing Petition for the Stipulated Contract Claims pursuant to PSALM Board Resolution No. 2018-0519-03 dated 19 June 2018.
- (2) I have read the Petition and the allegations therein are true and correct based on my personal knowledge or the authentic records available to PSALM.
- (3) I or PSALM have not commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals or any court, tribunal, or quasi-judicial agency and, to the best of my knowledge, no such other action or claim is pending therein and
- (4) If I or PSALM should hereinafter learn that the same or a similar action or claim has been filed or is pending in the Supreme Court, the Court of Appeals or any court, tribunal, or quasi-judicial agency, I shall report the said fact within five (5) days from discovery thereof to the Honorable Commission.

JUL 27 2018, Quezon City, Philippines.

**IRENE JOY BESIDO - GARCIA**  
MCLB Compliance No. V-0912416 (12-10-2015)  
Roll of Attorney No. 68011

SUBSCRIBED and SWORN TO before me this \_\_\_\_\_ day of July 2018, with a valid Philippine Passport ID No. E2201, issued at DFA Manila on 03 September 2016, valid until 03 September 2019, known to me and to me known to be the same person who executed the foregoing Verification and Certification.

### NOTARY PUBLIC

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Book No. 2173  
Series of 2018

**ANTHONY S. BAYONA, JR.**  
Notary Public  
MCLB Compliance No. V-0912416 (12-10-2015)  
Roll of Attorney No. 68011

\* Article VIII, Amended Rules for Recovery  
\* Article VIII, Section 1, Amended Rules for Recovery  
\* Sec. 50, EYRA  
\* Sec. 51, EYRA  
\* Article I, Section 2, Amended Rules for Recovery  
\* Section 4 (a) and (b), EYRA  
\* Article III, Amended Rules for Recovery  
\* DOT Department Order No. 2010-11-002  
\* Article IV, Section 6 in relation to Sections 2, 4 and 5, Amended Rules for Recovery  
\*\* Tax Consequences of Power Sector Assets and Liabilities Management Corporation (PSALM) Transactions  
\*\* Section 1  
\*\* In the Matter of the Petition for the Recovery of NPC's SCC Portion of the UC, With Prayer for Provisional Authority  
\*\* Petition for True-Up Adjustments for the NPC's SCC Portion of the UC for CYs 2013 and 2014  
\*\* Petition for the Adjustment of the NPC's SCC Portion of the UC for CY 2013 and True-Up Adjustments for the NPC's SCC Portion of the UC for CYs 2007-2013  
P.L. 2018-28

Republic of the Philippines  
ENERGY REGULATORY COMMISSION  
Pacific Center Building, San Miguel Avenue  
Ortigas Center, Pasig City

PETITION FOR THE AVAILMENT  
OF THE NATIONAL POWER  
CORPORATION'S (NPC)  
STRANDED CONTRACT COSTS  
(SCC) PORTION OF THE  
UNIVERSAL CHARGE (UC) FOR  
CALENDAR YEAR (CY) 2017 AND  
TRUE-UP ADJUSTMENTS OF THE  
NPC SCC PORTION OF THE UC  
FOR CYs 2007-2013, WITH PRAYER  
FOR PROVISIONAL AUTHORITY

ERC CASE NO. 2018-\_\_\_\_\_

POWER SECTOR ASSETS AND  
LIABILITIES MANAGEMENT  
(PSALM) CORPORATION

*Petitioner.*

x-----x

AFFIDAVIT

[A] Witness-deponent is **LUISA A. ESTEBAN**, of legal age, Manager of the Universal Charge Administration Department (hereinafter, "UCAD") of Power Sector Assets and Liabilities Management (hereinafter, "PSALM") Corporation, with office address at the 3/F National Transmission Corporation Building, Power Center, Quezon Avenue corner BIR Road, Diliman, Quezon City.

[B] Examining counsel is **ATTY. MARIA ILYN C. GERONIMO-ALBITO**, Corporate Attorney of the Office of the General Counsel, PSALM, with office address at the 3/F National Transmission Corporation Building, Power Center, Quezon Avenue corner BIR Road, Diliman, Quezon City. Ms. Esteban's affidavit was taken at PSALM's Office. *que*

[C] Witness was made fully aware that she was examined under oath and she was fully informed that she may face criminal prosecution for false testimony or perjury.

[D] The testimony of Ms. Esteban is offered to prove that there is a necessity for the issuance of a Provisional Authority or interim relief in connection with PSALM's Petition for the Availment of the National Power Corporation's (hereinafter, "NPC") Stranded Contract Costs ((hereinafter, "SCC") Portion of the Universal Charge ((hereinafter, "UC") for Calendar Year (hereinafter, "CY") 2017 and True-Up Adjustments of the NPC SCC Portion of the UC for CYs 2007-2013, with Prayer for Provisional Authority .

[E] The questions asked of the witness and her corresponding answers are as follows:

Q.1 What is your current position in PSALM?

A.1 I am currently the Manager of PSALM's UCAD.

Q.2 As Manager of PSALM's UCAD, what are some of your duties and responsibilities?

A.2 As Manager of UCAD, my duties and responsibilities include, among others, planning, directing, coordinating and overseeing the activities relating to the calculation of various tariffs, including the UC-SCC availment and true-up adjustments, pursuant to Section 51 (d) of Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001."

Q.3 In PSALM's present Petition, why is there a prayer for the issuance of a provisional authority?

A.3 The prayer for the issuance of provisional authority to collect the calculated UC-SCC for CY 2017 is intended to allow PSALM to immediately raise and generate additional funds to service portion of the USD 958.5 Million bullet maturing obligation which is due in early 2019. This will enable Petitioner to reduce its financing requirements to service its maturing debts related to eligible Independent Power Producer contracts, thus, decreasing additional borrowing costs. *per*

Pursuant to Energy Regulatory Commission Rules of Practice and Procedures, the Honorable Commission may exercise its discretion by granting provisional authority or interim relief prior to a final decision.

It is understood that the interim relief sought by Petitioner, that may be granted by the Honorable Commission, shall be subject to adjustments and other conditions that the Honorable Commission may impose after hearing and final determination of the Honorable Commission.

Q.4 Finally, Ms. Witness, do you confirm the contents and affirm the truthfulness of the statements in your affidavit?

A.4 Yes, I do.

**JUL 27 2018** IN WITNESS WHEREOF, I have hereunto set my hands this \_\_\_ day of July 2018 at Quezon City, Philippines.

  
\_\_\_\_\_  
LUISA A. ESTEBAN  
Affiant

**JUL 27 2018**  
SUBSCRIBED and SWORN TO before me this \_\_\_ day of July 2018, with affiant presenting to me her Government Service Insurance System I.D. No. CRN-006-0050-7343-4 known to me and known to be the same person who executed the foregoing Judicial Affidavit.

Doc. No. 114;  
Page No. 24;  
Book No. XIX;  
Series of 2018.

  
ATTY. TOMAS B. BAGA, JR.  
NOTARY PUBLIC  
ADM NO. NP-013 (2018-2019)  
UNTIL DECEMBER 31, 2019  
ATTORNEY NO. 13003  
ISSUED BY DENR 11-22-17  
PTR NO. 8649818-6-18 N. COT.  
MOLE NO. N-0026098  
RTA BLDG. SCT. REYES, Q.C.  
CELL # 09206474724



ATTESTATION

I, ATTY. MARIA ILYN C. GERONIMO-ALBITO, hereby attests:


That I conducted the examination of LUISA A. ESTEBAN; that I faithfully recorded the questions asked of her and her answers given in response; and that LUISA A. ESTEBAN was not coached by me or by any other person regarding her answers to the questions asked.



ATTY. MARIA ILYN C. GERONIMO-ALBITO  
Examining Counsel

SUBSCRIBED and SWORN TO before me this **JUL 27 2018** day of July 2018, with affiant presented to me her Social Security System ID No. 33-8891723-6 known to me and known to be the same person who executed the foregoing Attestation.

Doc. No. 115 ;  
Page No. 29 ;  
Book No. XIX ;  
Series of 2018.



UNTIL DECEMBER 31, 2019  
ATTYS. ROLL NO. 13003  
IBP NO. 017520 11-22-17  
PTR NO. 8539383 / 3-8-18 N. COT.  
MCLE NO. IV-2026098  
NTA BLDG. SCT. REYES, Q.C.  
CELL # 09206474724