

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

IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE ANNUAL REVENUE REQUIREMENT AND PERFORMANCE INCENTIVE SCHEME FOR THE THIRD REGULATORY PERIOD (2011 TO 2015) IN ACCORDANCE WITH THE PROVISIONS OF THE RULES FOR SETTING DISTRIBUTION WHEELING RATES (RDWR), AS AMENDED.

ERC CASE NO. 2010-069RC

MANILA ELECTRIC COMPANY (MERALCO)
Applicant.

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PETITION FOR INTERVENTION

The National Association of Electricity Consumers for Reforms, Inc. (Nasecore), represented by its President, Pete L. Ilagan, respectfully asks this Honorable Commission to grant it leave to intervene in the instant application and respectfully states: That -

1. Intervenor National Association of Electricity Consumers for Reforms (NASECORE), is a non-stock/non-profit corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at No. 10 Bayside Court Compound, 680 Quirino Avenue, Tambo, Parañaque City, represented herein by its duly authorized President, Mr. Pete L. Ilagan, and hereinafter referred to as "NASECORE";
2. On 21 June 2010, NASECORE read in the newspaper of applicant MERALCO's filing of the instant application with the Honorable Commission and this was validated by the Commission's posting in its website;
3. This Petition is aimed at contesting the application for "*In the Matter of the Application for Approval of the Annual Revenue Requirement and Performance Incentive Scheme for the Third Regulatory Period (2011-2015) in Accordance with the Provisions of the Rules of for Setting Distribution Wheeling Rates (RDWR), as Amended;*

4. NASECORE is an organization whose objective is to promote, advance, and protect the interest of ordinary consumers. It has a number of members who are electricity consumers of the franchise area of the applicant and will be affected by the instant application. Therefore, it has a legal and substantial interest in the instant *Application*.
5. If this Honorable Commission will see fit to grant our *Petition for Intervention*, the same will not unduly delay the resolution of the instant *Application*;
6. NASECORE respectfully requests this Honorable Commission to immediately direct applicant to immediately furnish NASECORE the following:
 - a. copy of its *Application with the complete annexes/attachment*;
 - b. copy of its audited financial report (showing Meralco own financial position and operation and not the consolidated report) from July 2007 to June 2010;
 - c. lists of the major projects duly approved by the Honorable Commission in its Decision dated 19 April 2010 in ERC Case No. 2009-068 MC, which were constructed to meet emergency conditions and its costs and supporting vouchers, invoices and official receipts;
 - d. lists of completed major projects from July 2007 to May 2010, its costs and supporting vouchers, invoices and official receipts and photographs of each said project;
 - e. Costs of the major projects for completion in the remaining year of the Second Regulatory Period as enumerated in the instant application;
 - f. Detailed list of applicant's operating expenditure from July 2008 to June 15 2010 in relation to:
 - i. Alphabetical list of Salaries and Wages of all Directors, Officers, Staffs, and Employees of MERALCO;
 - ii. Individual fees of MERALCO's Consultants and Retainers;

- iii. Alphabetical list of all contractual workers with expanded withholding tax of applicants;
 - iv. Total compensation and benefit packages of key officers and senior management, from Assistant Vice Presidents to the Chief Executive Officer, including members of the Board of Directors of applicant;
 - v. Alphabetical list of all MERALCO's purchases subject to expanded withholding tax;
- g. Total amount of savings in PhP due to system loss reduction for two (2) consecutive years as alleged in the instant application;
- h. Total amount of pay-outs under the Guaranteed Service Level (GSL) scheme;
- i. Amount of applicant's Capital Investment from July 2006 to June 15, 2010;
- j. Amount of applicant's Return on Capital from July 2006 to June 15, 2010;
- k. Net Book Value of each of applicant's asset in actual service to the operations of the utility prior to the first rate increase under the RDWR of the PBR;
- l. Net Book Value of each of applicant's asset in actual service to the operations of the utility at the start of the implementation of the first rate increase under the RDWR of the PBR;
- m. Total amount of applicant's Depreciation Expense from July 2006 to June 15, 2010;
- n. Amount of Corporate Income Tax and other Taxes paid to the government with supporting photocopy of proof of payment from 2006 to 2009;
- o. Monthly total amount of additional revenues borne out of the first and second rate increases under the RDWR;

7. The above- requested data and documents will allow NASECORE to objectively evaluate and examine the instant application and consequently, prepare for the hearing of the case.

WHEREFORE, it is respectfully prayed of this Honorable Commission to grant leave to intervene to NASECORE and to order the applicant to furnish herein Intervenor copies of the herein mentioned documents within a week to allow it sufficient time to study the same.

Parañaque City for Pasig City, 22 June 2010.

By:

PETE L. ILAGAN
Movant

EXPLANATION

The foregoing pleading is being served to the other parties by registered mail, personal service not being practicable due to the distance and lack of office personnel to effect the same.

PETE L. ILAGAN

Copy furnished:

Atty. Jose Ronald V. Valles
Counsel for Applicant Meralco
7th Floor Lopez Building, Meralco Compound
Ortigas Avenue, Pasig City

VERIFICATION & CERTIFICATION

PETE L. ILAGAN, of legal age, Filipino, married, with office and postal address at No. 10 Bayside Court Compound, 680 Quirino Avenue, Tambo, Parañaque City, after being sworn, deposes and states: THAT

1. He is the President of the National Association of Electricity Consumers for Reforms, Inc., who had caused the preparation of the foregoing *Petition for Intervention* a copy of Secretary's Certificate authorizing Mr. Pete L. Ilagan to file this Motion for Intervention and Compliance is attached as Annex "A"
2. He read and fully understood the allegations contained in said *Petition for Intervention* and that all the facts therein contained are true and correct based on his personal knowledge and authentic records.
3. He hereby certify that he have not commenced nor caused the commencement of any other action or proceeding involving the issues raised herein before the Regional Trial Court, the Supreme Court, the Court of Appeals or different Divisions thereof, or any other tribunal or agency, and that to the best of his knowledge, no such action or proceedings is pending before the Regional Trial Court, the Supreme Court, the Court of Appeals or different Divisions thereof, or any other tribunal or agency; and that if he should learn that a similar action or proceeding has been filed or pending before the Supreme Court, the Court of Appeals or different Divisions thereof, or any other tribunals or agency, he shall notify this Honorable Commission within five (5) days from such notice.

IN WITNESS WHEREOF, he has hereunto affixed his signature this 22nd day of June 2010 at Parañaque City.

ILAGAN **PETE L.**
Affiant

SUBSCRIBED AND SWORN to before me this 22nd day of June, 2010 by affiant who showed me his Drivers License N10-74-012320 issued by LTO - East Avenue.

Doc. No. _____;
Page No. _____;
Book No. _____;

Series of 2010

