

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

**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF THE
BUSINESS SEPARATION
AND UNBUNDLING PLAN
(BSUP) AND ACCOUNTING
AND COST ALLOCATION
MANUAL (ACAM)**

AP REGULATORY

RECEIVED VIA EMAIL
12 MAR 2021

ERC CASE NO. 2021-008 MC

**THERMA LUZON, INC.
(TLI),**

Applicant.

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Promulgated:
March 12, 2021

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 16 February 2021, Therma Luzon, Inc. (TLI) filed an *Application* dated 02 February 2021, seeking the Commission's approval of its Business Separation and Unbundling Plan (BSUP) and Accounting and Cost Allocation Manual (ACAM).

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

1. Applicant TLI is a private corporation duly organized and existing under the laws of the Philippines, with principal address at NAC Tower, 32nd Street, Bonifacio Global City, Taguig City. It may be served with notices, orders, and other processes of the Honorable Commission through the address below.
2. TLI is the Independent Power Producer Administrator (IPPA) for the 700 MW capacity from the Pagbilao Coal Fired Thermal Power Plants Units 1 and 2 located in Pagbilao, Quezon.
3. Under Section 36 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), it provides in part that "[a]ny electric power industry participant shall functionally and structurally unbundle its business activities in accordance with the sectors identified in Section 5 hereof. The ERC shall ensure full compliance with this provision."

4. In relation to foregoing, under Rule 10, Section 3(b) of the Implementing Rules and Regulations of the EPIRA, each electric power industry participant, including TLI, is required to prepare and submit its BSUP for approval by the Honorable Commission.
5. The Honorable Commission promulgated Resolution No. 49, Series of 2006 otherwise known as “Business Separation Guidelines, As Amended”.
6. Pursuant to and in compliance with the requirements of the foregoing law, rules, and resolutions, TLI is submitting for the Honorable Commission’s evaluation and approval, its proposed BSUP for the business separation and structural and functional unbundling of its business activities, with the end in view of separating its generation activities into appropriate business segments and to have a clear separation of operations and accounts between regulated and non-regulated activities, attached as Annex “A”, which contains the following information:
 - 6.1. Current Structure
 - 6.2. Details of business segments
 - 6.3. Accounting Separation
 - 6.4. Description of Separation
 - 6.5. Milestones and Highlights
 - 6.6. Code of Conduct
7. Pursuant to Section 2.2.1 of the Business Separation Guidelines, TLI has also prepared an Accounting and Cost Allocation Manual (ACAM), including accounting statements based on Audited Financial Statement for year 2019 including auditors report, attached as Annex “B”.
8. In view of the foregoing, TLI respectfully submits the instant Application for the Honorable Commission's utmost consideration.

PRAYER

WHEREFORE, premises considered, Applicant TLI respectfully prays of this Honorable Commission that after due notice and hearing, its proposed Business Separation and Unbundling Plan (BSUP) and Accounting and Cost Allocation Manual (ACAM) be approved accordingly.

Other just and equitable relief are likewise prayed for.

The Commission hereby sets the instant *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platform for the conduct

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thereof, pursuant to Resolution No. 09, Series of 2020¹ dated 24 September 2020:

Date	Platform	Activity
15 April 2021 (Thursday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams	Determination of compliance with jurisdictional requirements and expository presentation
22 April 2021 (Thursday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams	Pre-Trial Conference and Presentation of Evidence

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

Moreover, all persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at docket@erc.ph, and records@erc.gov.ph, copy furnish the Legal Service through legal@erc.ph, a verified Petition to Intervene at least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name, mailing address, and e-mail address;
- 2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and
- 3) A statement of the relief desired.

¹ Entitled: "A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission".

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may likewise file through e-mail at docket@erc.ph, and records@erc.gov.ph, copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

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

All such persons who wish to have a copy of the *Application* may request from Applicant that they be furnished with the same prior to the date of the initial hearing. Applicant is hereby directed to furnish all those making such request with copies of the *Application* and its attachments, through any of the available modes of service, upon their agreement, subject to the reimbursement of reasonable photocopying costs. Any such person may likewise examine the *Application* and other pertinent records filed with the Commission during the standard office hours. In the alternative, those persons who wish to have an electronic copy of the *Application* may request the Commission for the e-mail addresses of the Applicant by sending an e-mail to docket@erc.ph, and records@erc.gov.ph, copy furnish the Legal Service through legal@erc.ph. Nonetheless, any person may also access the *Application* as posted by the Commission in its official website at www.erc.gov.ph.

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

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WITNESS, the Honorable Commissioners **ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 2nd day of March 2021 in Pasig City.



AGNES VST DEVANADERA
Chairperson and CEO



LS: SQD/MVM/LSP/MCCG