

Debt,
from SI/1

This consisted of P8.17 trillion in government securities, which went up by 3.4% from P7.9 trillion as of end-November and increased by 22.1% from 2020.

The state's other domestic obligations stood at P156 billion, after its P540-billion loan from the central bank was repaid in December.

The growth of local debt is "in line with the domestic borrowing program which favors domestic issuance to mitigate foreign exchange risk and support local capital market development," BTr said.

Meanwhile, foreign debt inched up by 1.9% to P3.56 trillion month on month and increased by 14.8% from full-year 2020.

"For December, the increment in external debt was attributed to the impact of Peso depreciation against the USD (US Dollar) amounting to P40.87 billion and the net availment of external obligations amounting to P33.83 billion," the Treasury said.

Broken down, foreign debt included P1.57 trillion in loans, which rose by 1.9% since end-November.

Government securities also edged higher by 1.1% month on month to P1.98 trillion.

This included P1.56 trillion in dollar notes, P235 billion in euro

bonds, P86 billion in yen securities, P19.9 billion in yuan notes and P85.6 billion in peso global bonds.

Total outstanding guaranteed debt jumped by 1.5% to P423.91 billion as of end-December from a month earlier.

However, outstanding guaranteed debt slid by 7.5% from a year earlier.

The end-2021 debt level is better than expected, UnionBank of the Philippines, Inc. Chief Economist Ruben Carlo O. Asuncion said.

"This is may be due to the better-than-expected performance of the economy toward the end of 2021, with improving revenue collection performance versus 2020," he said in a Viber message.

The economy grew by 5.6% in 2021, thanks to a 7.7% gross domestic product expansion in the fourth quarter as lockdown restrictions were loosened.

Mr. Asuncion said the debt-to-GDP ratio has improved since the 63.1% seen in September.

"This is welcome news and may bode well for markets and partially pacify uncertainties hovering over the country's fiscal situation, especially as the national elections draw near." —

Janina P. Ibañez

'Hot money,'
from SI/1

eral Reserve also prompted foreign investors to become more cautious.

In December, the Fed said it would quicken the tapering of its bond-buying program and will push for at least three interest rate increases in 2022.

Gross inflows in December reached \$1.331 billion, rising by 22.8% from the \$1.084 billion in the same month a year ago and up by 3.7% from November.

For the full year, gross inflows increased by 16.6% to \$13.62 billion, from the \$11.678 billion in 2020.

Gross outflows in December stood at \$1.336 billion, down by 16.9% from the \$1.607 billion last year but higher by 13.8% than the \$1.174 billion in November. This brought full-year outflows to \$14.194 billion, falling by 10.9% from the \$15.918 billion in 2020.

Five investor countries accounted for 79.5% of short-term foreign investments in December, namely the United King-

dom, United States, Singapore, Luxembourg and Switzerland.

These bulk or 97% of these investments were mainly put into securities of utilities, food, beverage and tobacco, holding firms, property, and banks. The remaining 3% were invested in government securities.

AIM's Mr. Rivera is hopeful that hot money will yield a net inflow this year on the back of sustained recovery and the higher-than-expected growth last year.

For RCBC's Mr. Ricafort, there may still be lingering concerns caused by emerging COVID-19 variants. He said investors will also be factoring in the Fed's more hawkish signals.

Last week, the Fed Chairman Jerome H. Powell said the US central bank was likely to begin hiking interest rates in March to tame runaway inflation.

The BSP expects hot money to yield a \$5.7-billion net inflow in 2022.

Schools,
from SI/1

Publicly listed Far Eastern University, Inc. in its financial report said it posted a 10% decline in first semester enrollment for the school year 2020-2021.

This academic year, first semester enrollment increased by 14% year on year, with the number of students just about exceeding the pre-pandemic level, it said.

At STI Education Systems Holdings, Inc., which runs STI schools and iAcademy, tertiary-level enrollment fell to 40,176 in the 2020-2021 school year from 45,902 a year earlier as the pandemic disrupted operations, according to a stock exchange filing.

"STI's demographic remains the same at lower B to Broad C segment amidst the challenges that the pandemic has brought to the academic learning continuity of the students," STI Vice-President for Academics Aisa Q. Hipolito said in an e-mail.

"The financial impact is seen as one of the major problems of the students and their parents when the pandemic started." The school rolled out financial aid and reduced school fees, she said. By the 2021-2022 school year, enrollment rebounded to 56,342.

Ms. Hipolito said enrollment recovered after STI started aggressive recruitment campaigns and delivered classes online.

STI schools still expect strong demand for its information technology curricula.

"We are closely monitoring the potential impact of COVID-19 on our hospitality and tourism-related courses due to the threat of the pandemic, but we haven't really seen a downward trend for these programs over the past year," Ms. Hipolito said.

"We think that students who want to pursue careers in the fields of hospitality and tourism understand that the present situation is temporary."

At De La Salle University in Manila, applications before and after the pandemic have remained more or less the same, Office for Strategic Communications Executive Director Johannes Leo D. Badillo said.

Biology, accountancy, computer science, business management, engineering, psychology and information technology are posting top numbers.

Meanwhile, the shift to online learning has helped the schools reach a larger demographic of students that otherwise would not have applied due to distance or heavy traffic.

"Students from the provinces who tend to shy away from Manila schools before the pandemic are now open to apply in National Capital Region universities with the online learning setup," Mr. Badillo said in an e-mail.

Mr. Santos said a third of Thames students are outside Metro Manila. "People who were not able to enroll with us because they were far away are able to enroll now."

Mr. Santos noted that in the future, his school plans to offer both online and in-person education.

"The perfect way of delivery for college-level is that there is a face-to-face component because you still need socialization," he said. "The ideal situation is that there is partial face-to-face teaching. It cannot be 100% online."

The online setup can be difficult for students, including those trying to study healthcare.

"We haven't been able to experience actual laboratory activities that could really help us," said Ms. Neri, the nursing student.

The lack of social activities at the end of long days of heavy school work has led to burnout, she said.

"A world where medical students are expected to excel all the time and not fail takes its toll on their mental health," she said. "But we are human too."

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE LETTERS OF AGREEMENT ENTERED INTO BY PSALM WITH PAMPANGA II ELECTRIC COOPERATIVE, INC. (PELCO II), WITH PRAYER FOR ISSUANCE OF PROVISIONAL AUTHORITY (PA)

ERC CASE NO. 2021-110 RC

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION (PSALM), Applicant.

Promulgated: January 14, 2022

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 31 December 2021, Power Sector Assets and Liabilities Management Corporation (PSALM) filed an Application dated 04 October 2021, seeking the Commission's approval of the Letters of Agreement (LOA) it entered into with Pampanga II Electric Cooperative, Inc. (PELCO II), with prayer for issuance of provisional authority (PA).

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

- 1. This is an Application for the Approval of the terms and conditions of the Contract for the Supply of Electric Energy (the PSALM-PELCO II CSEE) entered into by and between Applicant PSALM and Pampanga II Electric Cooperative, Inc. (PELCO II) pursuant to Section 67 of Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act (EPIRA) of 2001".
- 2. Applicant PSALM is a government-owned and controlled corporation created by virtue of the EPIRA, with principal office address at 24th Floor Vertis North Corporate Center 1, Astra corner Lux Drives, North Avenue, Quezon City.
- 3. Pursuant to Section 49 of the EPIRA and the consequent assignment on 11 May 2009 (a copy of the Letter of Agreement is hereto attached as Annex "A") of all NPC power supply contracts to PSALM, NPC assigned and transferred to PSALM all its rights and obligations in, to and under its CSEEs and other similarly or substantially equivalent power supply contracts with NPC power customers (collectively referred to as "Power Supply Contracts").
- 4. On and from 11 May 2009, the power supply contracts were deemed amended as follows: (i) all references to NPC therein shall be treated as references to PSALM; (ii) PSALM shall be deemed the SUPPLIER under said Power Supply Contracts; and (iii) the rights and obligations of the Parties shall be governed by and construed in accordance with said Power Supply Contracts, as amended by the 11 May 2009 Letter Agreement. Thus, this instant application by PSALM.
- 5. The PSALM-PELCO II CSEE was executed based on the ERC-approved template under ERC Resolution No. 08, Series of 2005 issued on 07 July 2005. On 09 August 2005, said template was later on amended by this Honorable Commission in its Resolution No. 15, Series of 2005.
- 6. In ERC Resolution No. 33, Series of 2006, "Resolution Clarifying the Purpose of the Adoption of the TSC Template," the ERC clarified that the TSC Template should merely serve as a guide for the Distribution Utilities ("DUs") and NPC and should not be construed as the contract contemplated under Section 67 of the EPIRA.

PSALM'S PENDING CSEE APPLICATIONS

ERC Case No. 2020-015 RC

- 7. On 20 July 2020, PSALM filed an application docketed as ERC Case No. 2020-015 RC for the approval of the negotiated CSEE with CASURECO IV.
- 8. Said CSEE, which has a duration from 26 November 2019 to 25 June 2021 and was executed based on the ERC-approved template under ERC Resolution No. 08, Series of 2005. The same is now for resolution of this Honorable Commission.

ERC Case No. 2021-080 RC

- 9. On 20 February 2020, the PSALM Board through Board Resolution No. 2020-0226-02 (a copy of which is attached hereto as Annex "B") approved the execution of the PSALM-PELCO II CSEE with PELCO II for the period effective 26 May 2020 to 25 December 2020 (a copy of which is attached hereto as Annex "C"). Based on the approval, PSALM entered into the PSALM-PELCO II CSEE with PELCO II from 26 May 2020 to 25 December 2020.
- 10. The foregoing CSEE was executed based on the template approved by this Honorable Commission under Resolution No. 8, Series of 2005 as amended by Resolution No. 15, Series of 2005.
- 11. Subsequently, upon PELCO II's request, a Letter of Agreement (LOA) dated 21 December 2020 (a copy of which is attached hereto as Annex "D") was executed between PELCO II and PSALM.
- 12. The only revision introduced in the LOA is the extension of the period of the PSALM-PELCO II CSEE from 26 December 2020 until 25 April 2021. It is further understood that the LOA shall be an integral part of the PSALM-PELCO II CSEE, and the terms and conditions not otherwise affected by the above-mentioned amendment shall remain valid and effective.

LETTERS OF AGREEMENT SUBJECT OF THE PRESENT APPLICATION

- I. LOA for the period 26 April 2021 to 25 July 2021
- 13. PELCO II, through its letter dated 10 March 2021, requested for a three-month (3) extension of its CSEE from 26 April 2021 to 25 July 2021.
- 14. PSALM acted on such request and determined that it has available capacity to supply PELCO II from Unified Leyte Geothermal Power Plant.
- 15. Based on the foregoing, PSALM through LOA dated 16 March 2021 granted PELCO II's request for an extension of three-month period from 26 April 2021 to 25 July 2021 (a copy of which is attached hereto as Annex "E").
- 16. It is further understood that this LOA shall be made an integral part of the existing CSEE between PSALM and PELCO II. Moreover, this LOA merely amended the period in Section 3.1 of the CSEE and other terms and conditions of the CSEE shall remain valid and effective.
- II. LOA for the period 26 July 2021 until 25 October 2021
- 17. PELCO II, through its letter dated 17 June 2021 letter, requested PSALM for an extension of its CSEE from 26 July 2021 until 25 October 2021 and submitted its 40MW Equivalent Demand.
- 18. Subsequent thereto, PELCO II in its letter dated 1 July 2021 requested to increase its Contract Energy from 40MW to 55 MW, also for the period 26 July 2021 until 25 October 2021.
- 19. PSALM acted on such request and determined that it has available capacity to supply PELCO II from Unified Leyte Geothermal Power Plant.
- 20. Based on the foregoing, PSALM through LOA dated 16 July 2021 (a copy of which is attached hereto as Annex "F") granted PELCO II's request for an extension of three months from 26 July 2021 until 25 October 2021 and the corresponding increase from 40MW to 55 MW, also for the same period.
- 21. It is further understood that this LOA shall be made an integral part of the existing CSEE between PSALM and PELCO II. Moreover, this LOA merely amended the period in Section 3.1

of the CSEE and other terms and conditions of the CSEE shall remain valid and effective.

- 22. Furthermore, the execution of these LOAs is without prejudice to PSALM's petition for Review of the case pending with the Supreme Court entitled "PSALM vs. ERC and Philippine Electricity Market Corporation" docketed as G.R. No. 193521.
- 23. Further, in compliance with Section 2, Rule 6 (Pre-Filing Requirements) of this Honorable Commission's Resolution No. 01, Series of 2021, and in support of the instant Application for the CSEE's approval, a copy of the instant Application (including Annexes) was furnished to the offices of the City Mayor and the Sangguniang Panlungsod of Quezon City (Annexes "G" and series). The Application (excluding Annexes) was also published in a newspaper of general circulation (Annex "H" and series").

ALLEGATIONS IN SUPPORT FOR THE ISSUANCE OF PROVISIONAL AUTHORITY

- 24. PSALM acknowledges that the continued operation of the Distribution Utilities is indispensable to the economic efficiency of the franchise area they service, not to mention the ripple effect of that efficiency to the economic growth of the entire country. In order for these Distribution Utilities to continue lawfully drawing electricity from the grid, it is imperative that they enter into agreement/s with PSALM as Supplier for the supply of electricity, through a contract of sale for electricity, hence the respective CSEE.
- 25. A grant of provisional authority to execute the LOAs for the period 26 April 2021 until 25 October 2021 will benefit PELCO II and will ultimately redound to the benefit of end consumers.
- 26. Attached as Annex "I" is the Judicial Affidavit of Eng. James Marvin Mamarado, Corporate Staff Officer B of the Electricity Trading Department (ETD) under the Office of the Vice President - Privatization and Asset Management Group attesting to the truth of the above matters.
- 27. Pursuant to ERC rules of practice and procedure, this Honorable Commission may exercise its discretion by granting provisional authority or interim relief prior to a final decision.
- 28. It is understood that the interim relief sought by Applicant PSALM that may be granted by this Honorable Commission, shall be subject to adjustments and other conditions that this Honorable Commission may impose after its hearing and final determination.

PRAYER

WHEREFORE, Applicant PSALM most respectfully prays that this Honorable Commission APPROVE the duly negotiated Letters of Agreement with PELCO II covering the period from 26 April 2021 until 25 October 2021. It is likewise prayed that a Provisional Authority be issued authorizing PSALM to implement the subject LOA with PELCO II.

Other reliefs just and equitable under the premises are likewise prayed for.

The Commission has set the 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 thereof, pursuant to Resolution No. 09, Series of 2020 dated 24 September 2020 and Resolution No. 01, Series of 2021 dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):²

Date	Platform	Activity
17 February 2022 (Thursday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams	Determination of compliance with the jurisdictional requirements and expository presentation
24 February 2022 (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, 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, any 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, 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 ERC Revised 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.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may file through e-mail at doCKET@erc.ph, 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 ERC Revised 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.

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

Finally, all interested persons may be allowed to join the scheduled initial virtual hearings 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 hearings.

WITNESS, the Honorable Commissioners ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL and MARKO ROMEO L. FUENTES, Energy Regulatory Commission, this 4th day of January 2022 in Pasig City.

AGNES YST DEVANADERA
Chairperson and CEO
ERC
Office of the Chairperson



ICP/LS/MCCG

¹ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.
² A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.