

Medilines eyes more capital-intensive projects



FERNANDO ZHIMNIA/CELA/PIXABAY

MEDILINES Distributors, Inc. said it is expanding its consumables business to boost revenue and profits.

“As the company enters its third decade, it is working on expanding its consumable business to drive both topline and profit growth,” the company said in its 20th anniversary statement on Thursday.

This year, the company inaugurated its new warehouse equipped with cold storage for delicate consumables.

“We are also open to new opportunities. It is... Medilines’ goal to maintain dominance in the healthcare equipment market through its continuous participation in major and capital-intensive projects,” Medilines Chairman Virgilio B. Villar said.

Medilines also intends to tap its “vast suppliers and contacts” in the healthcare industry to generate revenues of “up to P2 billion this year” to surpass its financial performance in 2021.

The company aims to “strengthen its role” in the healthcare industry by supporting private and government institutions in procuring medical equipment.

“The company is set to deliver [this year] cancer therapy equipment to Bicol Regional Training and Teaching Hospital in Legazpi City, Northern Mindanao Medical Center in Cagayan de Oro City, and the Philippine Children’s Medical Center, in Quezon City,” it said.

Diagnostic imaging (CT scan, MRI, X-ray), dialysis (dialysis machines), and

cancer therapy (linear accelerators) are all types of medical equipment that the company offers.

These equipment help address the most prevalent diseases among Filipinos such as renal diseases, cancer, and cardiovascular diseases, the company said.

“It is important for us to maintain the strong partnerships we have cultivated with our principals,” Mr. Villar said.

Medilines’ attributable net income for the first semester was 19.1% lower at P80.96 million from P100.05 million last year.

Medilines closed 1.37% higher at P0.74 a piece on Thursday. — **Justine Irish D. Tabile**

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR THE APPROVAL OF THE LETTERS OF AGREEMENT WITH AKLAN ELECTRIC COOPERATIVE, INC., MORE ELECTRIC AND POWER CORPORATION, AND SAMAR II ELECTRIC COOPERATIVE, INC. LOCATED IN THE VISAYAS GRID, WITH PRAYER FOR ISSUANCE OF PROVISIONAL AUTHORITY

ERC CASE NO. 2022-054 RC

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION,
Applicant.

Promulgated:
August 16, 2022

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 11 August 2022, Power Sector Assets and Liabilities Management Corporation (PSALM) filed an *Application* dated 17 June 2022, seeking the Commission’s approval of its Letters of Agreement (LOAs) with Aklan Electric Cooperative, Inc., (AKELCO), MORE Electric and Power Corporation (MORE), and Samar II Electric Cooperative, Inc. (SAMELCO II) located in the Visayas Grid, with prayer for issuance of provisional authority.

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

- Pursuant to Section 67 of Republic Act No. 9136, otherwise known as the *Electric Power Industry Reform Act of 2001* (“EPIRA”) and Section 5, Article III of the Energy Regulatory Commission’s (“ERC”) Guidelines for the Recovery of Costs for the Generation Component of the Distribution Utilities’ Rate, PSALM respectfully submits this *Application* for the approval of the terms of the Letters of Agreement (“LOAs”) between PSALM and Aklan Electric Cooperative, Inc. (“AKELCO”),¹ MORE Electric and Power Corporation (“MORE Power”),² and Samar II Electric Cooperative, Inc. (“SAMELCO II”),³ respectively.
 - 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.
 - Section 67 of the EPIRA mandates the National Power Corporation (“NPC”) to file its Transition Supply Contracts or Contracts for the Supply of Electric Energy before the Honorable Commission. Notably, Section 49 of the same law created PSALM who took ownership of NPC’s generation assets, liabilities, Independent Power Producer contracts, real estate and all other disposable assets.
 - In view of Sections 49 and 67 of the EPIRA, PSALM, in lieu of NPC, filed the instant *Application*.
- THE LETTERS OF AGREEMENT
SUBJECT OF THIS APPLICATION
- PSALM is filing the instant *Application* for the approval of the LOAs duly executed with AKELCO, MORE Power, and SAMELCO II, respectively.
- The PSALM-AKELCO LOA*
- AKELCO has an existing CSEE with PSALM (the “PSALM-AKELCO CSEE”) covering the period from 26 November 2020 to 25 November 2021. The PSALM-AKELCO CSEE was submitted for approval to the Honorable Commission under ERC Case No. 2021-089 RC.
 - In a letter dated 05 November 2021, AKELCO proposed to extend the Contract Duration of the PSALM-AKELCO CSEE for an 8-month period from 26 November 2021 to 25 July 2022 with a monthly Equivalent Demand of 10MW.
 - PSALM agreed to AKELCO’s proposal. However, due to AKELCO’s late submission of the above-referenced letter, the PSALM-AKELCO CSEE was extended for a 7-month period only from 26 December 2021 to 25 July 2022.
 - Hence, the parties executed the instant PSALM-AKELCO LOA to extend the Contract Duration of the PSALM-AKELCO CSEE from 26 December 2021 to 25 July 2022 for a monthly Equivalent Demand of 10MW.
- Copies of the PSALM-AKELCO LOA and AKELCO’s 05 November 2021 letter are attached hereto as Annexes “A” and “A-1,” respectively.
- The PSALM-AKELCO LOA is an integral part of the PSALM-AKELCO CSEE, and the terms and conditions not otherwise affected by the said LOA shall remain valid and effective.

The PSALM-MORE Power LOA

 - MORE Power has an existing CSEE with PSALM (the “PSALM-MORE Power CSEE”) covering the period from 26 February 2021 to 25 July 2022. The PSALM-MORE Power CSEE was submitted for approval to the Honorable Commission under ERC Case No. 2021-078 RC.
 - PSALM and MORE Power then executed the first LOA dated 26 July 2021 to increase the Equivalent Demand under the PSALM-MORE Power CSEE. This LOA was submitted for approval to the Honorable Commission under ERC Case No. 2022-004 RC.

- Now, MORE Power wishes to further increase the Equivalent Demand under the PSALM-MORE Power CSEE. In a letter dated 13 December 2021, MORE Power requested for a 15MW increase in its Equivalent Demand from 26 January 2022 to 25 July 2022.
 - In a letter dated 21 December 2021, PSALM informed MORE Power that it can accommodate the proposed additional capacity until 25 May 2022 only due to capacity limitations of the Unified Leyte Geothermal Power Plant.
 - In a letter dated 03 January 2022, MORE Power agreed to proceed with the 15MW increase in Equivalent Demand from 26 January to 25 May 2022. Hence, the parties executed the instant PSALM-MORE Power LOA to further increase the Equivalent Demand (and the corresponding Contracted Energy) of the PSALM-MORE Power CSEE by 15MW from 26 January to 25 May 2022.
- A copy of the PSALM-MORE Power LOA is attached hereto as Annex “B.”
- Copies of MORE Power’s 13 December 2021 and 03 January 2022 letters and PSALM’s 21 December 2021 letter are attached as Annexes “B-1” to “B-3,” respectively.
- The PSALM-MORE Power LOA is an integral part of the PSALM-MORE Power CSEE, and the terms and conditions not otherwise affected by the said LOA shall remain valid and effective.

The PSALM-SAMELCO II LOA

 - SAMELCO II has an existing CSEE with PSALM (the “PSALM-SAMELCO II CSEE”) covering the period from 26 February 2021 to 25 December 2021. The PSALM-SAMELCO II CSEE was submitted for approval to the Honorable Commission under ERC Case No. 2021-081 RC.
 - In a letter dated 13 September 2021, SAMELCO II proposed to extend the Contract Duration of the PSALM-SAMELCO II CSEE from 26 December 2021 to 25 July 2022 with a monthly Equivalent Demand of 4MW.
 - PSALM agreed to SAMELCO II’s proposal. Hence, the parties executed the instant PSALM-SAMELCO II LOA to extend the Contract Duration of the PSALM-SAMELCO II CSEE from 26 December 2021 to 25 July 2022 for a monthly Equivalent Demand of 4MW.

Copies of the PSALM-SAMELCO II LOA and SAMELCO II’s 13 September 2021 letter are attached hereto as Annexes “C” and “C-1,” respectively.
- The PSALM-SAMELCO II LOA is an integral part of their respective CSEEs, and the terms and conditions not otherwise affected by the said LOA shall remain valid and effective.
- A summary of the Equivalent Demand, Contracted Energy, Load Factor computation of the LOAs subject of this *Application* is attached hereto as Annexes “D” to “D-2,” respectively.

PSALM’s Exemption from Joining the Competitive Selection Process (“CSP”)

 - This Honorable Commission recognized that PSALM is exempted from joining the CSP in the procurement of power supply. In a letter dated 20 September 2016, the Honorable Commission said that PSALM need not participate in the CSP due to the nature of its operations.

A copy of the Honorable Commission’s letter dated 20 September 2016 is attached hereto as Annex “E.”
- The Honorable Commission also recognized PSALM’s exemption from joining the CSP in its Decisions in ERC Case No. 2016-186 RC⁴ and ERC Case No. 2019-040 RC.⁵ Moreover, in its Decision in ERC Case No. 2019-040 RC, the Honorable Commission referred to Section 2 of the Department of Energy’s Department Circular No. 2018-02-0003⁶ to further justify PSALM’s exemption from joining the CSP.

Compliance with the Honorable Commission’s Pre-Filing Requirements

 - In compliance with Section 2, Rule 6 (Pre-Filing Requirements) of the Honorable Commission’s Resolution No. 01, Series of 2021, a copy of the instant *Application* (including its annexes) was furnished to the offices of the City Mayor and the Sangguniang Panlungsod of Quezon City. Moreover, the *Application* (excluding its annexes) was also published in a newspaper of general circulation.

PSALM’s proof of service to the Mayor and the Sangguniang Panlungsod of Quezon City is attached hereto as Annex “F” and series.

PSALM’s proof of publication of the instant *Application* is attached hereto as Annex “G” and series.

ALLEGATIONS IN SUPPORT FOR THE ISSUANCE OF
PROVISIONAL AUTHORITY

 - PSALM acknowledges that the continued operation of the DUs subject of this *Application* is indispensable to the economic efficiency of the franchise area they serve, not to mention the ripple effect of that efficiency to the economic growth of the entire country. In order for the said DUs 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.
 - A grant of Provisional Authority (“PA”) or Interim Relief to implement the PSALM-AKELCO, PSALM-MORE Power, and PSALM SAMELCO II LOAs will ultimately redound to the benefit of end consumers.
 - Attached as Annex “H” is the Judicial Affidavit of Engr. James Marvin A. Mamaradlo, the Acting Department Manager of the Electricity Trading Department under PSALM’s Privatization and Asset Management Group, attesting to the truth of the above matters.
 - Pursuant to ERC Rules of Practice and Procedure, the Honorable Commission may exercise its discretion by granting a PA or an Interim Relief prior to a final decision.
 - It is understood that the PA or Interim Relief sought by PSALM shall be subject to adjustments and other conditions that the Honorable Commission may impose after its hearing and final determination.

PRAYER

WHEREFORE, Applicant PSALM most respectfully prays that the Honorable Commission APPROVES the PSALM-AKELCO, PSALM-MORE Power, and PSALM-SAMELCO II Letters of Agreement. It is likewise prayed that a Provisional Authority BE ISSUED authorizing PSALM to implement the said LOAs.

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 platforms for the conduct thereof, pursuant to Resolution No. 09, Series of 2020⁷ dated 24 September 2020, and Resolution No. 01, Series of 2021 dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):⁸

Date	Platform	Activity
29 September 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
06 October 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, 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, 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:

- The petitioner’s name, mailing address, and e-mail address;
- 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
- 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 likewise 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:

- The name, mailing address, and e-mail address of such person;
- A concise statement of the Opposition or Comment; and
- 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 Chairperson and CEO **MONALISA C. DIMALANTA**, and Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 16th day of August 2022 in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:

Floresina G. Baldo-Digal
FLORESINA G. BALDO-DIGAL
Oversight Commissioner
For the Legal Service

LS:SQD/LSB/MCCG

¹ Hereinafter referred to as the “PSALM-AKELCO LOA”.
² Hereinafter referred to as the “PSALM-MORE Power LOA”.
³ Hereinafter referred to as the “PSALM-SAMELCO II LOA”.
⁴ Dated 24 October 2017.
⁵ Dated 21 July 2021.
⁶ Entitled “Adopting and Prescribing the Policy for the Competitive Selection Process in the Procurement By the Distribution Utilities of Power Supply Agreement for the Captive Market”.
⁷ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.
⁸ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.