**Republic of the Philippines** ENERGY REGULATORY COMMISSION Pasig City IN THE MATTER OF THE APPLICATION FOR OF THE APPROVAL CONTRACT FOR THE SUPPLY OF ELECTRIC **ENERGY WITH PAMPANGA** ELECTRIC **COOPERATIVE, INC., WITH** PRAYER FOR ISSUANCE OF **PROVISIONAL AUTHORITY** ERC CASE NO. 2022-072 RC POWER SECTOR ASSETS Promulgated: LIABILITIES AND October 12, 2022 MANAGEMENT

CORPORATION Applicant.

### NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 04 October 2022, Power Sector Assets and Liabilities Management Corporation (PSALM) filed an Application dated 26 August 2022, seeking the Commission's approval of its Contract for the Supply of Electric Energy (CSEE) with Pampanga II Electric Cooperative, Inc. (PELCO II), with prayer for the issuance of provisional authority.

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

- This is an Application for the approval of the terms and nditions of the Contract for the Supply of Electric Energy (CSEE) entered into by PSALM with Pampanga II Electric Cooperative, Inc. (PELCO II)1 pursuant to Section 67 of Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act (EPIRA) of 2001" 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 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, Ouezon City.
- Section 67 of the EPIRA required the National Power Corporation ("NPC") to file before this Honorable Commission its Transition Supply Contracts ("TSCs") or CSEEs duly negotiated with the Distribution Utilities ("DUs" containing the terms and conditions of NPC's energy supply and the corresponding schedule of rates, including adjustments and/or indexation formulas.
- Notably, Section 49 of the EPIRA created PSALM who took ownership of NPC's generation assets, liabilities, Independent Power Producer contracts, real estate, and all other disposable assets. Accordingly, NPC sent PSALM an Assignment Letter dated 11 May 2009

A copy of the NPC Assignment Letter is attached hereto as Annex "A"

- In view of such assignment, PSALM is now party to the said CSEE and thus is the proper party to file the instant application.
- In order to facilitate the approval of CSEEs, the ERC issued Resolution No. 08. Series of 2005 issued on 07 July 2005. which adopted a template for the CSEEs. Said template was later on amended by the ERC in its Resolution No. 15, Series of 2005 dated 09 August 2005.
- In ERC Resolution No. 33, Series of 2006, entitled "Resolution Clarifying the Purpose of the Adoption of the TSC Template," the ERC clarified that the 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 PELCO II CSEE and Letter of Agreement Applications with the ERC

- On 30 September 2021, PSALM filed an application doe as ERC Case No. 2021-080 RC for the approval of the duly executed and negotiated CSEE with PELCO II covering the period 26 May 2020 to 25 December 2020 and a Letter of Agreement (LOA) covering the period 26 December 2020 to 25 April 2021.
- On 31 December 2021, PSALM filed an application docketed as ERC Case No. 2021-110 RC for the approval of the duly executed and negotiated LOAs with PELCO II covering the period 26 April 2021 to 25 July 2021 and 26 July 2021 to 25
- These CSEE and LOA applications are pending resolution 10.

The PSALM-PELCO II CSEE subject of this Application On 23 March 2022, the PSALM Board of Directors approved the execution of the PSALM-PELCO II CSEE.

- The PSALM-PELCO II CSEE was executed based on the ERC-12. approved template under ERC Resolution No. 08. Series of 2005, as amended by ERC Resolution No. 15, Series of 2005. Likewise, the same CSEE incorporated the changes previously proposed by PSALM and approved by the DUs, which changes were contained in the CSEEs approved by this Honorable Commission in PSALM's Application in ERC Case Nos. 2018-054 RC, 2020-030 RC and PSALM's subsequent CSEE
- The notable revisions made to the PSALM-PELCO II CSEE 13. from the abovementioned template are found in (i) Annex I of the said CSEE, which reflects the Contracted Energy and the corresponding Equivalent Demand as well as the computation of the load factor; and (ii) amendment of Section 3.1 on **Contract Duration**

The PSALM-PELCO II CSEE is attached hereto as Annex "B". Salient Provisions of the PSALM-PELCO II CSEE

- The Contract Duration of the PSALM-PELCO CSEE is from 26 14. March 2022 to 25 December 2022.
- The PSALM-PELCO II CSEE has the following salient 15.

(i) SERVICE SPECIFICATIONS CONTRACT ENERGY

- Contract Energy and Equivalent Demand as indicated in Annex I may be changed by PSALM due to a change in the projected available capacity of PSALM's power plants and at any time during the duration of the Contract due to the privatization of any of the 4.1 assets of PSALM pursuant to the EPIRA
- CUSTOMER shall nominate month-ahead its hourly and 4.1.1 daily energy quantity requirements three (3) days before the start of the next billing period based on its Daily Load Profile as reflected in Annex 1a. On a day to day transaction, the CUSTOMER shall confirm the schedule transaction, the CUSTOMER shall contrim the schedule of hourly energy requirements to PSALM on the day ahead. PSALM shall declare to WESM the schedule of hourly energy requirements delivered to customers immediately on the day after.
- AVAILABILITY OF SUPPLY
- PSALM shall supply the Contract Energy in accordance with good 4.2 utility practice and in compliance with appropriate rules and regulations such as the Philippine Grid Code, and Open Access Transmission Service (OATS). Supply of energy shall be available except for interruption or reduction due to: a) causes beyond the control of PSALM despite the exercise of due care, including but not limited to the conditions stated in Section 4.1 of this Contract; b) transmission failure; c) maintenance to ensure system stability and safety reasons as may be provided by laws, rules or regulation In case of shortage in the generation capacity of PSALM

CUSTOMER shall be informed of the deficiency and allocation of the available supply of electricity to the CUSTOMER which shall to the contracted energy and equi vided for in this Contract.

Whenever available, in accordance with good utility practice, PSALM may, but shall not be obliged to provide electricity to CUSTOMER in excess of Contract Energy provided that 4.3 CUSTOMER shall pay the appropriate charges as provided for in Section 6.1 of this Contrac ASSIGNABILITY

CONSUMPTION IN EXCESS OF CONTRACT ENERGY

- 4.8 PSALM may assign or transfer part or all of its rights and obligations in the supply of Contract Energy herein stated, to any such entity, provided that prior written notice is given to CUSTOMER ninety (90) days before the actual transfer. This Contract shall remain binding to Parties, their successors and assignees, PSALM warrants that any sale, assignments, transfer or subcontracting of the Contract shall not affect or impair CUSTOMER's rights and obligations with respect to quantity and price of electricity, Contract effectivity, incentives, discounts and other terms and conditions of this Contract. The assignee shall, by written instrument, assume the rights and obligations of PSALM o CUSTOMER. When a CUSTOMER has been assigned by the PSALM to a Successor Generating Company (SGC) by virtue of the privatization of the PSALM Generating Plant pursuant to the EPIRA, the SGC has the option to renegotiate this Contract with the CUSTOMER within six (6) months from the actual transfer of the CUSTOMER to the SGC. If the CUSTOMER and the SGC fail reach an agreement, either Party shall have the right to rminate this Contract.
- CUSTOMER may assign, sell or transfer a part or all of its Contra-4.9 Energy and/or Equivalent Demand either permanently or for a certain number of billing periods, subject to the written consent of PSALM under the following conditions, and which consent shall not be unreasonably withheld:
  - CUSTOMER has obtained certification from NGCP, that the transmission, sub-transmission, substation and other facilities can accommodate the increase in the power
  - CUSTOMER has submitted necessary proof that the ouyer, assignee or transferee has no outstanding bligation to PSALM, and undertakes to assume the bligations of CUSTOMER and to pay for the additional essary or incidental to the tr
  - Assignment of CUSTOMER to assignee shall comply with the forms provided in Annex IVa and Annex IVb of this
  - THE ASSIGNEE SHALL ASSUME ALL OBLIGATIONS OF THE CUSTOMER related to Contract Energy that might arise in a pending suit with the ERC or in arbitration proceedings.

(i) SECURITY DEPOSIT

AMOUNT

- The Security Deposit shall be equivalent to 100% of the average contracted energy indicated in Annex I of the CSEE and shall become valid and effective for the duration of this Contract. 5.1
- FORM AND TIME OF POSTING The Security Deposit may be required to be posted upon 5.2 privatization of the generating asset/s to which this Contract is allocated or assigned as provided for in Section 4.8 hereof if the prospective buyer, assignee, transferee or successor-in-interest so requires. It shall be in the form of cash, cash bond, manager's or ashier's check, bank certified check, irrevocable stand-by letter of credit, performance bond or bank guarantee "callable on demand" issued by a financial institution, or any other forms of security such as but not limited to escrow account to be administered by a bank acceptable to PSALM. In the event the Security Deposit of the CUSTOMER becomes nil, the PSALM reserves the right to efuse or discontinue supply of electric energy. In cases of partial depletion of the Security Deposit, the CUSTOMER shall replace
- the Security Deposit not later than thirty (30) days thereafter. PSALM reserves the right to continue supply of electric energy to the extent of Security Deposit of the CUSTOMER. RELEASE OF SECURITY DEPOSIT
- 5.3
- The Security Deposit (for the portion that should be settled within the WESM) shall be returned to the CUSTOMER within thirty (30) days upon presentation of proof of compliance with the prudential requirements of the WESM. PSALM shall return or protection requirements of the weak rotation shall return by release the Security Deposits to CUSTOMER including interest earned, subject to deductions for any amounts owed by CUSTOMER to PSALM. Security Deposits, except those in the form of letter of credit or performance bond, shall earn interest based on prevailing savings deposit rate of the Land Bank of the nes (LBP)
- (ii) CHARGES AND ADJUSTMENTS BASIC ENERGY CHARGE
- The Basic Energy Charge (BEC) applied to the CUSTOMER's hourly energy consumption shall be the ERC-approved NPC/PSALM's Time of Use (TOU) generation rates, which is attached as Annex III, plus adjustments in the tariff such as, but not limited to Deferred Accounting Adjustments (DAAs) and the Incremental Currency Exchange Rate Adjustments (ICERA), the RA 9136 Mandatory Rate Reduction Adjustments. The basic energy charge to be applied to the contracted energy shall be in accordance with Section 7.1 of this Contract. accordance with Section 7.1 of this Contract.
- Energy consumption higher than the contracted level shall be Energy consumption inglice to the two boundary of the Customer from the Wholesale Electricity Spot Market at the Wholesale Electricity Spot Market rate and paid directly to the Independent Electricity Market Operator of the Philippines (IEMOP).
- 6.1.1 The BEC shall be applied to the CUSTOMER's hourly energy ption based on the hourly nominated energy quantity ioned in Section 4.1.1. MINIMUM CHARGES
- CUSTOMER shall pay the minimum charge based on the Contract Energy per billing period as indicated in Section 4.1 of this 6.2 Contract using the basic energy charge if CUSTOMER has not fully taken or failed to consume the Contract Energy, subject to deductions and adjustments as expressly provided for in this
- SERVICE INTERRUPTION ADJUSTMENT Should the supply of electricity be interrupted or curtailed to a level below the Contract Energy due to the fault or lack of generation capacity of PSALM, even if CUSTOMER was at that 6.3
- me unable to take or consume electricity, the Contract Energy shall be adjusted taking into account the ratio of the number of hours that electric service was interrupted to the total number of hours that electric service was interrupted to the total number of hours in the billing period. The adjusted Contract Energy shall be used in the calculation of Minimum Charge.
- Should the supply of electricity be interrupted or curtailed to a 6.4 level below the Contract Energy due to the fault or lack of generation capacity of PSALM, even if CUSTOMER was at that time unable to take or consume electricity, the Contract Energy shall be adjusted to actual off-take below contract level for all hours when service was curtailed or interrupted based on declaration of power curtailment issued by the NGCF
- Should the supply of electricity be interrupted or curtailed to a level below the Contract Energy due to fault or lack of generation capacity of PSALM, the Contract Energy not taken due to CUSTOMER's fault or negligence or other causes affecting CUSTOMER's ability to take or consume electricity shall not entitle CUSTOMER to interruption adjustment. 6.5
- MAINTENANCE SERVICE ADJUSTMENT PELCO II may avail of the service adjustment during the scheduled maintenance of its facilities, not to exceed two (2) billing periods in one year. The minimum charge on the energy consumption shall be fifty percent (50%) of the Contract Energy. To be able to avail of this adjustment, PELCO II must inform PSALM in writing thirty (30) days prior to the commencement of the scheduled maintenance.
- FORM OF PAYMENT
- Payment shall be made in the form of cash, fund transfer, checks 6.7 biet to banks' policies on cut-off and number of clearing days, mand drafts or other cash equivalents. Bank charges shall be porne by the CUSTOMER
- PROMPT PAYMENT DISCOUNT 6.10 Subject to ERC's approval, the Prompt Payment Discount (PPD) shall be in accordance with PSALM's credit and collection policies shall be in accordance with PSALM's duly approved by the PSALM Board.
- The latest PSALM's credit and collection policies duly approved by the PSALM Board is provided below, unless otherwise amended: DISPUTED BILLS
- 6.11 Should there be any dispute on bills, any such dispute would be considered as waived unless CUSTOMER questions the same in writing within sixty (60) days from CUSTOMER's receipt thereof. On a "best-efforts basis", PSALM commits to resolve such disputed bills within a period of sixty (60) days upon PSALM's receipt of said disputed bills' complete supporting documents, rom the date of filing the claim.
- 6.12 Disputed bills shall be paid by CUSTOMER without deductions or offsets and PSALM shall evaluate the claim and adjust the billings in accordance with its findings. Disputed billing shall not be an excuse or ground for CUSTOMER to delay payment of succeeding billings or to unilaterally deduct any amount therefrom.
- 6.13 CUSTOMER and PSALM shall seek to resolve disputed billings. If the dispute cannot be resolved by the Parties, the matter shall be resolved as provided in Sections 9.9 and 9.10 provisions of this Contract.
- 6.14 The CUSTOMER shall be entitled to a refund of any overpayment plus interest equivalent to the actual interest earned from the date that the payment was made, if such demand is later found to be

OVERDUE ACCOUNT

- 6.15 In the event that a power bill remains unpaid within five (5) days after its due date, PSALM has the option to call on or draw against the Security Deposit as provided for under Section 5 (Security Deposit) of this Contract.
- Any power bill or account of CUSTOMER not paid on due date shall bear a floating rate of interest computed from the first day after it becomes due and payable, based on the highest nonprime lending rate of PSALM's depositary banks for every quarter ending March, June, September and December of each year. Interest on overdue accounts shall be computed based on a 360-day year.
- A restructuring agreement of the overdue account shall be executed by the CUSTOMER, with the following salient terms and 6.17
- 6.18 To evaluate the CUSTOMER's restructuring proposal, CUSTOMER shall be required to submit its Audited Financial Reports for past three (3) years, Applicable Restructuring Scheme, Statement of Accounts (SOA), Projected Financial Statements, Summary of Annual Collections Report from Distribution Utilities (DUS) for the past three (3) years, Rehabiliteting Plan for the next five (5) wears for the term of the Rehabilitation Plan for the next five (5) years for the term of the restructuring period, whichever is longer, that will focus on adopting measures that will result to increase in collection efficiency and reduction of systems loss, as well as, measure to optimize operating costs and professionalize management and staff. etc., and other documents that will show the paying capacity f the customer and the implementation of the restruc
- ADJUSTMENT DUE TO INACCURATE METERS AND ERRONEOUS BILLINGS WITHIN A BILLING PERIOD
- In the event that a billing is found erroneous due to wrong reading, incorrect use of kWh meter multiplier, arithmetical mistakes, omissions or typographical error, PSALM shall send CUSTOMER a debit or credit memo to correct the error.
- BILLING PROCEDURE FOR A RATE REVISION WITHIN A BILLING
- 6.20 Should the effective date of a new and duly approved rate schedule fall within a billing period, two computation sheets shall be prepared. The first sheet shall be calculated by applying the old rate schedule to CUSTOMER's Billing Energy (as if the old rate schedule was in effect for the entire billing period), and then multiplying the resulting charges including any Billing Adjustments by the ratio of the number of days that the old rate schedule was effective during the billing period to the total number of days in the billing period. The second sheet, on the other hand, shall be calculated by applying the new rate schedule to CUSTOMER's Billing Energy (as if the new rate schedule was in effect for the entire billing period), and then multiplying the resulting charges including any Billing Adjustments by the ratio of the number of days that the new rate schedule was effective during the billing period to the total number of days in the billing period. These shall be consolidated into a single power bill.
- 6.21 In addition to the above-stated penalty interest charges and rithout prejudice to its right under Section 9.11 of this Contract PSALM shall have the right, subject to not less than seven (7) days advance written notice to CUSTOMER, to discontinue supplying electric services and to refuse to resume electric service for failur of CUSTOMER to post the required Security Deposit, for non-payment of bills, or if any amount including any accrued interest and other charges not necessarily limited to the foregoing, remains unpaid. Notwithstanding such discontinuance of ele service, CUSTOMER shall pay at least the Minimum charge base on the Contract Energy, and failure by CUSTOMER to make full payment within a period of six (6) months shall entitle PSALM to erminate the Contract without prejudice to the right of PSALM to recover unpaid bills and other penalties from CUSTOMER.

(iv) MISCELLANEOUS PROVISIONS LIABILITIES

DISCONNECTION OF POWER SERVICE

- Except as expressly provided, PSALM shall not be liable for any damage suffered by CUSTOMER due to the failure of PSALM to 9.1 supply electric energy to CUSTOMER in accordance with prescribed standards, except when such failure is caused by PSALM's bad faith, gross negligence or malicious intent. This provision, however, shall not affect the rights of CUSTOMER to applicable deduction in its electricity charges provided in this
- FORCE MAJEURE
- Force majeure is an extraordinary event which cannot be foresee. 9.2 render it impossible for a party to fulfill its obligation in a norma manner despite the exercise of due care. Force majeure shall no excuse either party from exercising due care to prevent it or minimize its effects. Force majeure includes a storm, typhoon, insurrection, riot, naval or other blockade, labor disturbance, civil unrest, and other events, which are entirely beyond the control of either or both parties. A party shall not be excused from its failure to perform its obligations under this Contract even if the same is aused by force majeure except as provided in this Section and Sections 9.6 to 9.8.
- Insolvency or business losses shall not be considered as an event of force majeure
- The affected party shall notify the other in writing of a force 9.4 on. The other party shall have sixty (60) days to verify or deny in writing that such situation exists.
- A verified event of force majeure, which prevents a party from supplying or taking electricity for at least six (6) months or agreed oth parties to prevent the supply or taking of ele for a continuous period of at least six (6) months shall entitle party to terminate this Contract. Buy-out shall not apply to
- DEDUCTION DUE TO FORCE MAJEURE
  - PSALM shall have a maximum of seventy-two (72) hours from the rowing sharn have a maximum of seventy-two (72) hours from the time a force majeure event prevented it from supplying electricity and perform its other obligations under the Contract to resume supply. CUSTOMER shall not be entitled to interruption adjustment for such period, unless interruptions exceed seventy-two (72) hours and the CUSTOMER failed to fully take or consume its Contract Energy.
- Likewise, CUSTOMER shall have a maximum of seventy-two (72) 9.7 nours from the time a force majeure event prevented it from fully taking its Contract Energy to resume taking electricity. CUSTOMER shall be entitled to interruption adjustment based on the actual number of hours that it was unable to receive electricity, should its consumption be curtailed below the levels of Contract Energy. The number of hours that CUSTOMER can claim for interruption adjustments is limited to a maximum of 72 hours per force majeure event. However, if both PSALM and CUSTOMER were simultaneously unable to supply and consume electricity by reason of Force Majeure, CUSTOMER shall be entitled to
- The number of hours of interruptions or of failure to receive 9.8 electricity caused by one force majeure event shall be cumulated SETTLEMENT OF DISPUTES
- The Parties shall exert reasonable efforts to amicably settle all disputes arising in connection with this Contract, as a condition precedent to dispute resolution, which will be filed by either party with the ERC.
- 9.10 Any dispute arising in connection with this Contract, which exclusive jurisdiction has not been vested in the ERC or any appropriate government agency, shall be submitted to arbitration of the provide the second n the Philippines in accordance with Republic Act 876 and Republic Act 9285. No court action shall be initiated except as vided under the Philippine Arbitration Law. The proper cour ing jurisdiction over the place where PSALM 's principal office is located shall have exclusive jurisdiction over such court action

### CONTRACT TERMINATION

- Either party will have the right to terminate this Contract upon 9.11 failure of the other to perform its obligation under this Contract, provided that the party at fault will have to pay all its outstanding account and reimburse the costs incurred by the other party as a result of the termination.
- VALIDITY AND BINDING EFFECT
- 9.15 This Contract shall bind the Parties, their respective assigns, buyers, transferees, or successors-in-interest. If for any reason, competent courts must declare any provision of this Contract valid during its effectivity, the other provisions hereof which are ot affected thereby shall continue to be in full force and effect
- Further, in compliance with Section 2, Rule 6 (Pre-Filing Requirements) of the ERC Resolution No. 01, Series of 2021 (ERC Rules of Practice and Procedure)4, a copy of the instant Application (including Annexes) was furnished to the offices of the City Mayor and the Sangguniang Panlungsod of Quezon City (see Annexes "C" and series hereof). The Application (excluding Annexes) was also published in a spaper of general circulation (see Annexes "D" and series

PSALM is exempted from joining the Competitive Selection Process ("CSP")

This Honorable Commission recognized that PSALM is 17. exempted from joining the mandatory CSP in the procurement of power supply. In a letter dated 20 September 2016, this 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.

This Honorable Commission also recognized PSALM's exemption from joining the CSP in its Decisions in ERC Case No. 2016-186 RC<sup>5</sup> and ERC Case No. 2019-040 RC. Moreover, in its Decision in ERC Case No. 2019-040 RC, this Honorable Commission referred to Section 2 of the Department of Energy's Department Circular No. 2018-02-00037 to further justify PSALM's exemption from joining the

> ALLEGATIONS IN SUPPORT FOR THE ISSUANCE OF PROVISIONAL AUTHORITY

- PSALM acknowledges that the continued operation of the 19. 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 mperative 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.
- A grant of Provisional Authority ("PA") to execute the PSALM 20. PELCO II CSEE will ultimately redound to the benefit of endusers/ consumers.
- The Judicial Affidavit of Engineer James Marvin A. 21. Mamaradlo, Corporate Staff Officer B of the Electricity Trading Department (ETD) under PSALM's Privatization and Asset Management Group, attesting to the truth of the above matters is attached as Annex "F."
- Pursuant to ERC Rules of Practice and Procedure, this 22. 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 this Honorable Commission may impose after its hearing and final determination.

### <u>PRAYER</u>

WHEREFORE, Applicant PSALM most respectfully prays that this Honorable Commission APPROVE the CSEE between PSALM and PELCO II. It is likewise prayed that this Honorable Commission ISSUE a Provisional Authority authorizing PSALM to implement the PSALM-PELCO II CSEE.

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

The Commission hereby sets the 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 thereof, pursuant to Resolution No. 09, Series of 20208 dated 24 September 2020 and Resolution No. 01, Series of 20219 dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):

(This space was intentionally left blank.)

Date and Time	Platform	Activity
<b>25 November 2022</b> (Friday) at nine o'clock in the morning (9:00 A.M.)	MS Teams or Zoom Application	Determination of compliance with jurisdictional requirements and Expository presentation
<b>02 December 2022</b> (Friday) at nine o'clock in the morning (9:00 A.M.)		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 person 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 ffected 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 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:

- 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 hearing by providing the Commission, thru <u>legal.virtualhearings@erc.ph</u>, 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.

WITNESS, the Honorable Chairperson and CEO MONALISA C. DIMALANTA, and the Honorable Commissioners ALEXIS M. LUMBATAN, CATHERINE P. MACEDA and MARKO ROMEO L. FUENTES, Energy Regulatory Commission, this 12th day of October 2022 in Pasig City.

### preigue FLORESINDA G. BALDO-DIGAL Oversight Commissioner For the Legal Service

LS: TB / LSP / MCCG

Hereinafter referred to as the "PSALM-PELCO II CSEE." <sup>2</sup> Please see 6.10.a. to 6.10.h of the PSALM-PELCO II CSEE.

<sup>3</sup> Please see the detailed list of terms and conditions under 6.17.1 to 6.17.12 of the PSALM-PELCO 4 A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory 5 Dated 24 October 2017.

Dated 21 July 2021. 7 Entitled "Adopting and Prescribing the Policy for the Competitive Selection Process in the rocurement By the Distribution Utilities of Power Supply Agreement for the Captive Market." <sup>8</sup> Entitled: A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Entitled: A Resolution Adopting the Outching Section Adopting Interview Provide Adopting Section Adopting the Revised Rules of Practice and Procedure of the Energy Reputatory Commission.
Entitled: Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission. B.W. November 4 & 11, 202

Labor & Management SI/5 FRIDAY, NOVEMBER 4, 2022

# **STEM-focused education seen** addressing work-skills mismatch

A SCIENCE, Technology, Engineering, and Mathematics (STEM) focus in the educational system is expected to help bridge the skills gap in the workforce, STEM advocates said on Thursday.

**BusinessWorld** 

"Educators and employers need to focus on the connection of STEM education to careers that focus on solving real-world problems with technical skills." Kelli List-Wells, founder of educators group STEM Leadership Alliance, said at the 3<sup>rd</sup> Integrated STEM Leadership Summit in Mandaluyong City.

She said more digital modes of learning are needed for engineering, architecture and construction.

The Department of Labor and Employment (DoLE) has said that around 800,000 to 1 million skilled workers in engineering, architecture, and construction are needed to address the labor shortage this year.

STEM-related educational offerings are vital in developing workers equipped for the evolving job market, she added, citing a study on the Philippine workforce by the Makati Business Club. - John Victor D. Ordoñez 🖽 FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing smartphone or by typing the link smartphone or by typin. <bit.ly/STEM110422>

## **OPINION Managers with conflicting styles**

Give the committee a firm timeline to come up

The work of a CEO is difficult. You

*'m the newly hired chief executive officer* (CEO) of a small enterprise. I assigned two department heads to carry out a joint project to improve our labor

productivity. When I followed up on their progress, I was given many alibis that had nothing to do with **REY ELBO** the project until I talked to another department head who clued me in ELBONOMICS: Any that the two managers are at odds over their contrasting styles — one is dictatorial while the other is democratic. The dictatorial manager is unpopular with his workers How do I resolve this issue? — Blue Star.

You don't have to be personally involved. You must take the high road and do your job from the standpoint of a CEO and not be bothered by this issue. The best approach is to delegate the mediation process to your direct reports without the two realizing it. You can

do this by creating a management committee composed of all department heads to work on the project. Productivity is everyone's concern and should not be limited to the two managers. The process of having all managers participate would allow them to resolve the dynamics between the two colleagues. This approach allows every manager to be co-owners of the productivity improvement plan.

These managers can perform the balancing act and possibly resolve their personal issues in the process. You can appoint the most senior manager in the committee to chair the project. If one of the two warring managers is the most senior, choose someone with the highest performance rating bearing in mind that meritocracy trumps seniority in many cases.

**Global** jobs growth will **'deteriorate** significantly this guarter

#### GENEVA — Global employment growth will "deteriorate signifi-

cantly" this quarter, hit by the economic turmoil caused by the Ukraine war and by the impact of tighter monetary policy on consumption, the International Labour Organization (ILO) said. There are already

signs that a recovery in global hours worked that was seen in early 2022 went into reverse in the second and third quarters. the UN body said. Overall, there were 40 million fewer full-time

iobs between July-September than in the fourth quarter of 2019, which is used as the benchmark level before the COVID pandemic, it added.

"On current trends. global employment growth will deteriorate significantly in the fourth quarter of 2022," the ILO said in its report on the World of Work.

The ILO attributed the deterioration in the level of hours worked in mid-2022 to the reintroduction of public health restrictions and ensuing labor market disruptions in China as well as to the Ukraine conflict and resultant inflationary

pressures from disruptions to energy and food exports. The report also said that excessive policy tightening could cause

"undue damage to jobs and incomes in both advanced and developing countries." - Reuters

IN THE don't have to be personally involved in mediating their conflict, particularly NORKPLACE when management styles differ. Your intervention could end up being a waste of time as both managers will

become mature or

surely defend their respective positions to the death. Therefore, let the conflict helps people committee resolve that issue. You'll be surprised how positive the result immature individuals. might be

### ISSUES AND STYLES

with recommendations.

There's not much you can do to change the styles of your two managers. While having a dictatorial style has its advantages in emergency situations, a democratic style is equally important and is most needed every day when you try to establish, maintain and nurture proactive communication.

Who would want to be near or even talk to a fearsome and unfriendly boss? Almost no one, right? All the more when we're trying to establish a corporatewide productivity program that requires the active participation of employees and their managers.

While the management committee is doing its job, keep track of the performance of the two managers. Review their track records and find out whose is better. At the same time, compare the attendance records of the workers under their supervision. Whose turnover rate is better?

What were the results of the exit interviews of workers who resigned? That should give you a good idea on the impact of their management style on employee morale.

In addition, get the results of the latest employee satisfaction survey, which can give you a holistic understanding of the effects of the two styles. looking for clues as to how styles influence workers in their decision to leave their jobs. According to an article by Jessica Buono in Gallup (2019), "one in two employees have left a job to get away from a bad manager."

So between a dictator manager and a democratic manager, who do you think is a clear suspect in this case?

### EXPENSIVE

Losing good people because they hate their boss is an expensive proposition.

John Hall, a senior contributor at *Forbes* (2019), says the cost of employee turnover can kill a business and "make things less fun," primarily to the hiring manager who is pushed to the limits to search for replacements and for the requisitioning department manager who has to train them This is not to mention the management time.

money and effort needed for onboarding and train ing before a new hire becomes effective. Quoting a report from Employee Benefits News (2017), Mr. Hall posits "that turnover can cost employers 33% of an employee's annual salary."

As such, you can easily understand how attrition should be avoided by reining in managers with unacceptable styles. If you can't afford to pay big money to your people, the next best thing is to treat everyone with utmost kindness.

Chat your workplace issues with Rev Elbo on Facebook. LinkedIn or Twitter or e-mail elbonomics@gmail.com or via https://revelbo.com



# **BusinessWorld** ONE-ON-ONE ONLINE INTER November 4, 2022 | Friday | 11:00 a.m. Featuring

### Kanni Wignaraja

Assistant Secretary-General, United Nations Regional Director, United Nations Development Programme

In an interview with **BUSINESSWORLD EDITOR-IN-CHIEF WILFREDO G. REYES** 

> Catch BusinessWorld's One-on-One Interview Series on BusinessWorld's and The Philippine STAR's Facebook pages.