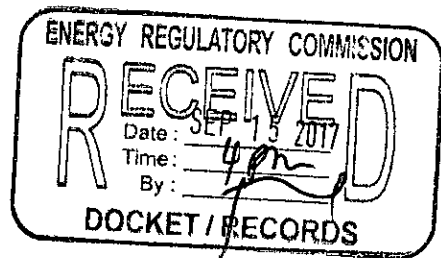


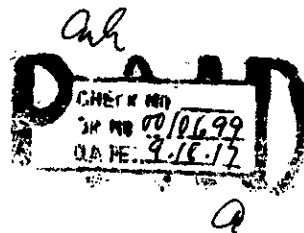
Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pacific Center Building  
San Miguel Avenue, Pasig City

IN THE MATTER OF THE  
APPLICATION FOR  
CONFIRMATION AND  
APPROVAL OF 2017  
EMERGENCY CAPITAL  
EXPENDITURE PROJECT,  
RE: INSTALLATION OF  
NEW 10MVA POWER  
TRANSFORMER AS  
REPLACEMENT FOR THE  
DAMAGED 5MVA POWER  
TRANSFORMER AT NABAS  
SUBSTATION,



ERC CASE NO. 2017-082 RC

AKLAN ELECTRIC  
COOPERATIVE (AKELCO),  
Applicant.  
X ----- X



## APPLICATION

APPLICANT AKLAN ELECTRIC COOPERATIVE, INC. (AKELCO) thru counsel, unto this Honorable Commission, most respectfully alleges that:

### THE APPLICANT

1. AKELCO is a non-stock, non-profit electric cooperative duly organized and existing under and by virtue of Philippine laws, with principal office at Poblacion, Lezo, Aklan;

2. It holds an exclusive franchise from the National Electrification Commission to operate an electric light and power

distribution service in the seventeen (17) municipalities of the Province of Aklan, namely: Altavas, Balete, Banga, Batan, Buruanga, Ibayay, Kalibo, Lezo, Libacao, Madalag, Makato, Malay, Nabas, New Washington, Numancia and Tangalan, and two (2) northern municipalities of the Province of Antique, namely: Libertad and Pandan.

### **LEGAL BASIS FOR THE APPLICATION**

3. Pursuant to Republic Act No. 9136, ERC Resolution 26, Series of 2009 and other laws and rules, and in line with its mandate to provide safe, quality, efficient and reliable electric service to its consumers, AKELCO submits for the Honorable Commission's confirmation and approval its Emergency Capital Expenditure (CAPEX) Project for 2017, namely: Installation of new 10MVA Power Transformer as replacement for the damaged 5MVA Power Transformer at Nabas Substation, subject of the instant application.

### **THE ANTECEDENT FACTS**

4. On May 03, 2017, at around 9:50 P.M., power was disrupted when lightning struck the Nabas - Panit-an transmission line of the National Grid Corporation of the Phils. (NGCP). By 10:38 P.M., power was restored.

5. A few moments later, one of the power fuses at the 69kV side of the 5MVA Power Transformer at the Nabas Substation of AKELCO burnt and one of the cut-out assemblies of the Feeder 5 was burned. In order to prevent further damage, the lineman on duty immediately opened the Air Brake Switch and informed the personnel posted at the Andagao Station that the Nabas Substation had already been cut off from the grid and that the transmission line can already be energized.

6. After replacing the burnt cut-out and busted power fuse, and after energizing the 5MVA Power Transformer at the Nabas Substation and all the feeders, the lineman on duty noticed a strange sound coming from the power transformer.

7. Upon careful inspection of the power transformer, it was discovered that one of the suspension insulators holding the bus bar going to the secondary side of the power transformer was broken and

had flash-over marks indicating that it was struck by lightning which caused serious and irreparable damage to the power transformer.

8. AKELCO has determined that the old 5MVA Power Transformer should be replaced with a new 10MVA Power Transformer.

### PROJECT DESCRIPTION

9. The project subject of the instant application is the emergency procurement of a new 10MVA Power Transformer as replacement for the damaged 5MVA Power Transformer at the Nabas Substation, including protection and safety accessories incidental to the acquisition and operation of the new power transformer. The project is summarized, as follows:

<b>Network Capital Expenditure Project</b>	
Project Code	SSX - 1
Project Type	Capacity
Priority Rank	1st Priority
Project Category	Network Requirements
Project Title	Supply, Delivery, Installation, Testing, Commissioning of 10MVA Power Transformer at Nabas Substation and Retirement of 5MVA Power Transformer (Substation Uprating)
Project Cost	PhP14,395,000.00
Project Duration	May 20 – 26, 2017
Project Description	<ul style="list-style-type: none"> <li>• Acquisition, installation and energization of brand new 10MVA Power Transformer with the following specifications: 10/12.5MVA, OA/FA Cooling, 67KV HV / 13.2 – 7.62KV LV, 3-Phase, Delta-Wye, Dyn11, 60Hz with Protective Relays, Control Panel and Wiring Accessories.</li> <li>• Retirement of the damaged 5MVA Power Transformer</li> </ul>

### PROJECT SCHEDULE

10. The procurement, supply, delivery, installation, testing and commissioning of the 10MVA Power Transformer at the Nabas Substation and retirement of the busted 5MVA Power Transformer in the same substation was commenced on May 20, 2017 and was accomplished by May 26, 2017.

## **PROJECT FINANCING**

11. The total cost for the procurement, supply, delivery, installation, testing and commissioning of the 10MVA Power Transformer in the amount of PhP14,395,000.00 was paid to the winning bidder out of existing and available Reinvestment Fund for Sustainable Capital Expenditure (RFSC) of the cooperative.

## **JUSTIFICATIONS AND BENEFITS DELIVERED BY THE PROJECT**

12. The immediate procurement and installation of the new 10MVA Power Transformer to replace the damaged 5MVA Power Transformer at the Nabas Substation was a must, to immediately restore power and provide a safe, adequate, efficient and reliable electric service to the consumers being served by the substation.

13. An upgraded 10MVA power transformer was procured since the busted 5MVA power transformer was no longer sufficient to meet present and future load requirements due to influx of commercial and industrial establishments in the area.

14. The Nabas Substation demand forecast indicates that the same is 98% loaded. By implementing the present project, the substation loading goes down to an ideal level of 49%.

15. The feeders' voltages improved from 75% to 97% of the nominal value.

16. The simulated technical system loss for affected substations and feeders is 8,695 kWh per day. This system loss has been reduced to 4,436 kWh per day with the commissioning of the brand new 10MVA power transformer.

17. In view of the foregoing, the technical and economic analysis conducted showed that the replacement with a new 10MVA power transformer was the most technically feasible and more economically viable project.

**SUBMISSION DOCUMENTARY AND PRE-FILING  
REQUIREMENTS**

18. Finally, in compliance with the documentary as well as pre-filing requirements for the instant application, the following documents are being submitted herewith to from integral parts hereof, to wit:

	Nature of Document
Annex "A"	Executive Summary of the Project
Annexes "B" and series	Proof of furnishing of copies of the Application to the Sangguniang Bayan of Lezo and Sangguniang Panlalawigan of Aklan
Annexes "C" and series	Proof of publication of the Application in a newspaper of general circulation in AKELCO's franchise area or where it principally operates, with Affidavit of Publication

**PRAYER**

**WHEREFORE**, premises considered, it is respectfully prayed of this Honorable Commission that after due notice and hearing, AKELCO's emergency procurement of a new 10MVA Power Transformer together with protection and safety accessories, in replacement of the 5MVA Power Transformer at the Nabas Substation be confirmed and approved.

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

Pasig City, Metro Manila, August 29, 2017.

**DECHAVEZ & EVANGELISTA LAW OFFICES<sup>1</sup>**  
**Counsel for the Applicant**  
**Aklan Electric Cooperative, Inc. (AKELCO)**  
Unit 2008, Tycoon Centre  
Pearl Drive, Ortigas Center, Pasig City 1605  
Tel. Nos. 9101587/6619357

By:



**JEREMIAH D. FRANCISCO**

Roll of Attorneys No. 62302

PTR No. 2535282, January 16, 2017, Pasig City

IBF No. 1064236, January 16, 2017, RSM

MCLE Compliance No. V – 0016881 – March 16, 2016

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<sup>1</sup> Pursuant to Office of the Court Administrator Circular No. 56-2015, hereunder are the MCLE Compliance Numbers of the undersigned Firm's name partners, to wit:

Partners	MCLE Compliance No.	Date of Issuance
Joseph Ferdinand M. Dechavez	V-0005240	Jan. 7, 2015
Nelson V. Evangelista	V-0008307	June 3, 2015

## VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

**ENGR. ALEXIS M. REGALADO**, of legal age, Filipino and with office address at the main office of the Aklan Electric Cooperative, Inc. (AKELCO), Poblacion, Lezo, Aklan, after being sworn to according to law, depose and state that:

1. I am the General Manager of the Aklan Electric Cooperative, Inc. (AKELCO), duly authorized to represent the cooperative in filing the instant application, copy of the corresponding Board Resolution is attached to the application and made integral part hereof;

2. I caused the preparation and filing of the foregoing Application; have read the allegations contained therein, and certify that the same are true and correct based on my personal knowledge and on authentic records;


3. AKELCO has not heretofore commenced any other action or proceedings involving the same issues and parties before any court, tribunal or quasi-judicial agency; to the best of my knowledge no such action or proceeding is pending, and if I should learn that the same or similar action or proceeding has been filed or is pending, I undertake to report such fact to this Honorable Commission, within five (5) days therefrom.

Further, affiant sayeth naught.

  
**ENGR. ALEXIS M. REGALADO**  
Affiant

SUBSCRIBED AND SWORN to before me in  
Kalibo, Aklan, this 05 day of SEP 05 2017 2017 by the affiant  
who exhibited to me his BIR TIN 174-177-796.

Doc. No. 3 ;  
Page No. 2 ;  
Book No. XII ;  
Series of 2017 .

  
**SAYKEME E. MOLINO-MARTELINO**  
Notary Public for and in the Province of Aklan  
Notarial Commission No. P-045 (2017)  
Valid until December 31, 2017  
L. Barrios St. Kalibo, Aklan  
Roll of Attorneys No. 45595  
PTR No. 5458582-01-03-2017  
IBP Lifetime Member No. 05539  
MCLE Compliance No. V-0005707