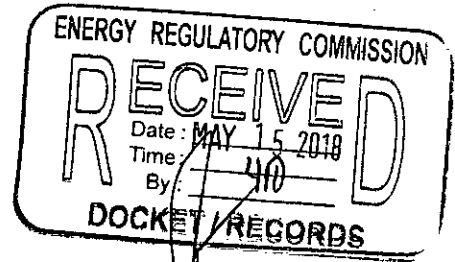


Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pacific Center Building
San Miguel Avenue, Pasig City

IN THE MATTER OF THE
APPLICATION FOR
CONFIRMATION AND
APPROVAL OF 2018
EMERGENCY CAPITAL
EXPENDITURE PROJECTS,
RE: (1) UPRATING OF
AMPAYON SUBSTATION
POWER TRANSFORMER TO
20/25/33 MVA; (2)
RELOCATION OF EXISTING
10MVA AMPAYON
SUBSTATION POWER
TRANSFORMER TO
REPLACE THE BUSTED
5MVA CABADBARAN
SUBSTATION POWER
TRANSFORMER; AND (3)
HAULING/TRANSPORT OF
SERVICE UNIT POWER
TRANSFORMER,

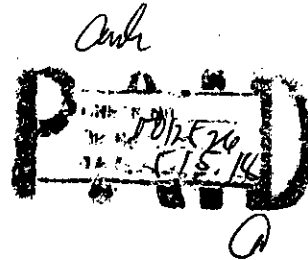


2018-044
ERC CASE NO. _____ RC

AGUSAN DEL NORTE
ELECTRIC COOPERATIVE
(ANECO), INC.

Applicant.

X-----X



APPLICATION

APPLICANT AGUSAN DEL NORTE ELECTRIC
COOPERATIVE, INC. (ANECO) thru counsel, unto this Honorable
Commission, most respectfully alleges that:

THE APPLICANT

1. ANECO is a non-stock, non-profit electric cooperative duly organized and existing under and by virtue of Philippine laws, with principal office at Km 2 J.C. Aquino Avenue, Butuan City;

2. It holds an exclusive franchise from the National Electrification Commission to operate an electric light and power distribution service in Cabadbaran City and Butuan City as well as all the municipalities of the Province of Agusan del Norte, namely: Buenavista, Carmen, Kitcharao, Jabonga, Las Nieves, Magallanes, Nasipit, Remedios Trinidad Romualdez, Santiago and Tubay.

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, ANECO submits for the Honorable Commission's confirmation and approval its Emergency Capital Expenditure (CAPEX) Projects for 2018, namely: Uprating of Ampayon Substation Power Transformer to 20/25/33 MVA, Relocation of existing 10MVA Power Transformer at Ampayon Substation to replace the busted 5MVA Power Transformer of Cabadbaran Substation and Hauling/Transport of Service Unit 10 MVA Power Transformer for temporary installation at Ampayon Substation while the uprating activity is on-going, all subject of the instant application.

THE ANTECEDENT FACTS

4. The 10 MVA Ampayon Substation is currently distributing electric power to the residential, commercial and large load industrial customers in certain barangays of Butuan City. However, due to the significant increase of the load growth in the area served by said substation, the 10 MVA Ampayon Substation Power Transformer registered an overloading in 2014 but had been temporarily remedied by shifting some of its load to adjacent substations;

5. On the other hand, the 5 MVA Cabadbaran Substation is serving Cabadbaran City and the Municipality of Tubay, Agusan Del Norte which hosts two (2) large mining firms. After its 5 MVA power transformer was hit by a lightning, a third party who conducted a

comprehensive test declared it damaged. Thus, the substation's load was transferred to a neighboring substation as a temporary solution;

6. Thereafter, ANECO's mobile substation was also pulled out from the Ampayon Substation which was used to supply industrial customers to augment the shortage capacity in Cabadbaran City while the loads of industrial customers being served by the mobile substation were temporarily transferred to the 20/25MVA Bayanihan Substation. The Bayanihan Substation has still capacity to cater the load from the mobile substation however, there is already a power quality problem at the receiving end of the transferred feeder;

7. On September 18, 2017, the 5 MVA power transformer of Cabadbaran Substation experienced internal trouble after sensing the line to ground fault from the secondary 13.2kV line. The substation tender on duty tried to restore the substation since the fault is only line to ground but the primary and secondary protections still sensed the fault followed by a strong explosion inside the power transformer.

8. On the same day, power in the Cabadbaran Substation's coverage areas were restored through immediate load transferring of its demand to the neighboring Santiago and Soriano Substations. On the following day, an insulation/resistance testing was conducted on the Cabadbaran Substation power transformer, and results showed that there was a problem inside said power transformer.

9. On September 20, 2017, the Cepalco Energy Services Corporation (CESCO) conducted a comprehensive testing of the 5 MVA power transformer, the results of which showed that the power transformer is severely damaged and recommended to be out-of-service.

PROJECT DESCRIPTION

10. The projects subject of the instant application are: (1) Uprating of the Ampayon Substation Power Transformer to 20/25/33 MVA; (2) Relocation of the existing 10MVA Power Transformer of Ampayon Substation to replace the busted 5MVA Power Transformer of Cabadbaran Substation, and: (3) Hauling/Transport of Service Unit 10 MVA Power Transformer for temporary installation at Ampayon Substation while the uprating activity is on-going. The projects are described, as follows:

PROJECT CODE	PROJECT TITLE	COMMISSIONING DATE	PROJECT COST (PhP)
Emergency Capital Expenditure Project	Upgrading of Ampayon Substation Power Transformer to 20/25/33 MVA	3 rd Quarter of 2018	22,900,000.00
	Relocation of the existing 10MVA Power Transformer at Ampayon Substation to Replace the Busted 5MVA Power Transformer of Cabadbaran Substation		1,500,000.00
	Hauling/Transport of Service Unit 10MVA Power Transformer (for temporary installation at Ampayon Substation while the upgrading activity is on-going)		578,800.00
		Total	24,978,800.00

PROJECT SCHEDULE

11. Public bidding for the supply, delivery, installation, testing, commissioning and upgrading of the Ampayon Substation Power Transformer was conducted on October 24, 2017 and the contract was eventually awarded to the ASIAPHIL Incorporated. As of even date, project completion is still in progress. On the other hand, the relocation of the existing 10MVA Ampayon Substation Power Transformer to replace the busted power transformer of Cabadbaran Substation and the hauling/transport of the cooperative's Service Unit 10 MVA Power Transformer for temporary installation at the Ampayon Substation will be undertaken on the third quarter of 2018.

PROJECT FINANCING

12. The total cost of the projects subject of the instant application shall be funded out of the cooperative's existing and available Reinvestment Fund for Sustainable Capital Expenditure (RFSC). As such, the implementation of the projects will have no impact on the ANECO consumers' electricity rates.

**JUSTIFICATIONS AND BENEFITS TO BE DELIVERED
BY THE PROJECTS**

13. The upgrading of the Ampayon Substation power transformer is aimed to relieve the overloading of the Ampayon Substation Power Transformer and meet the growing demand and unexpected large load growth rate in Butuan City, particularly within the Ampayon Substation coverage area;

14. The relocation of the existing 10MVA Ampayon Substation Power Transformer to the Cabadbaran Substation will address the urgent need for a replacement of the busted Cabadbaran Substation Power Transformer which is currently undergoing load shifting to adjacent distribution substations and the mobile substation;

15. The immediate implementation of subject projects will provide a safe, adequate, reliable, and efficient electric service to the consumers being served by the substations.

**SUBMISSION DOCUMENTARY AND PRE-FILING
REQUIREMENTS**

16. Finally, in compliance with the documentary as well as pre-filing requirements under ERC Resolution 26, Series of 2009 and the ERC Rules of Practice and Procedure, respectively, the following documents are being submitted herewith to from integral parts hereof, to wit:

	Nature of Document
Annex "A"	Executive Summary of the Projects
Annexes "B" and series	Proof of furnishing of copies of the Application to the Sangguniang Panlungsod of Butuan City and Sangguniang Panlalawigan of Agusan Del Norte
Annexes "C" and series	Proof of publication of the Application in a newspaper of general circulation in ANECO's franchise area or where it principally operates.

PRAYER

WHEREFORE, premises considered, it is respectfully prayed of this Honorable Commission that after due notice and hearing, ANECO's uprating of the Ampayon Substation Power Transformer to 20/25/33 MVA, relocation of the existing Ampayon Substation 10MVA Power Transformer to replace the busted 5MVA Power Transformer of the Cabadbaran Substation and Hauling/Transport of Service Unit 10 MVA Power Transformer for temporary installation at the Ampayon Substation while the uprating activity is on-going, be confirmed and approved accordingly.

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

Pasig City, Metro Manila, April 26, 2018.

**DECHAVEZ LERIOS-AMBOY & EVANGELISTA
LAW OFFICES¹
Counsel for the Applicant
Agusan Del Norte Electric Cooperative, Inc. (ANECO)
Units 2008, Tycoon Centre
Pearl Drive, Ortigas Center, Pasig City 1605
Tel. Nos. 9101587; 6619357**

By:


RONALD RYAN A. SANDIGAN
Roll of Attorneys No. 65412²

PTR No. 3897262, January 16, 2018, Pasig City
IBP Lifetime No. 015204, Masbate City

¹ 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
Ditas A. Leros-Amboy	V- 0016672	March 16, 2016
Nelson V. Evangelista	V-0008307	June 3, 2015

²Explanation (Re: MCLE Compliance) - Admitted to the Philippine Bar in 2016. Pursuant to **Board Order No. 1, s. 2008 of the MCLE Governing Board, otherwise known as "Guidelines for MCLE Compliance of New Lawyers in view of Bar Matter No. 1922, S. 2008"**, he is exempted from complying with the MCLE requirement.

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

JUNIE M. DY, of legal age, Filipino and with office address at the main office of the Agusan del Norte Electric Cooperative, Inc. (ANECO), Km 2, J.C. Aquino Avenue, Butuan City, after being sworn to according to law, depose and state that:

1. I am the OIC- General Manager of the Agusan del Norte Electric Cooperative, Inc. (ANECO), 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;

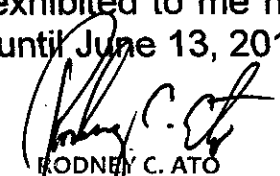
3. ANECO has not heretofore commenced any other action or proceedings involving the same issues and parties before any court, tribunal or quasi-judicial agency; to the best of my knowledge no such action or proceeding is pending, and if I should learn that the same or similar action or proceeding has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

Further, affiant sayeth naught.

JUNIE M. DY
Affiant 

SUBSCRIBED AND SWORN to before me in Butuan City, this 4th day of May 2018 by the affiant who exhibited to me his Driver's License bearing No. K01-88-017588 valid until June 13, 2018.

Doc. No. 79 ;
Page No. 17 ;
Book No. 15 ;
Series of 2018.


RODNEY C. ATO
NOTARY PUBLIC
For Butuan City and Agusan del Norte
Notary Public
Serial No. 69-01-2018
BCRB Bldg., A.D. Curato St., Butuan City
Attorney's Roll No. 50443 (05/03/2005)
MCLE Compliance No. V-0006823 (03/09/2015)
IBP O.R. No. 1061855 (01/03/2018 - Butuan City)
PTR No. 1453660 (01/03/2018 - Butuan City)
TIN-934-791-938