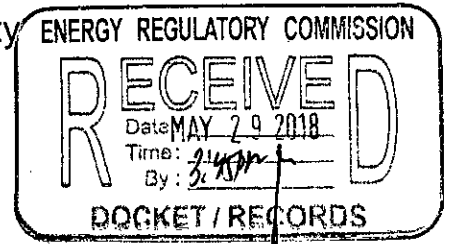
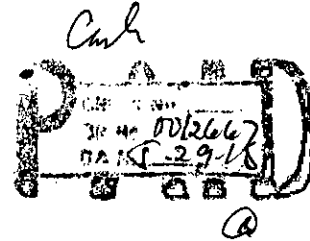


Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**

Pacific Center Building  
San Miguel Avenue, Pasig City



IN THE MATTER OF THE  
APPLICATION FOR  
CONFIRMATION AND  
APPROVAL OF FORCE  
MAJEURE EVENT CAPITAL  
EXPENDITURE PROJECT, RE:  
REPAIR, RESTORATION,  
REPLACEMENT AND/OR  
REHABILITATION OF  
DISTRIBUTION LINES AND  
SPECIAL EQUIPMENT AND  
SERVICE DROP WIRES AND  
METERING FACILITIES  
DAMAGED BY TYPHOON  
URDUJA



2018-052

ERC CASE NO. \_\_\_\_\_ RC

BILIRAN ELECTRIC  
COOPERATIVE, INC.  
(BILECO),  
Applicant.  
X-----X

**APPLICATION**

APPLICANT BILIRAN ELECTRIC COOPERATIVE, INC. (BILECO), by counsel and to this Honorable Commission, most respectfully alleges, that:

**THE APPLICANT**

1. BILECO is a non-stock, non-profit electric cooperative, duly organized and existing under and by virtue of Philippine laws, with principal office at Brgy. Caraycaray, Naval, Biliran ;

2. It holds an exclusive franchise from the National Electrification Commission to operate an electric light and power distribution service in the seven (7) municipalities of the Province of Biliran, namely: Naval, Biliran, Almeria, Kawayan, Culaba, Caibiran and Cabucgayan.

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

3. The instant application is being filed pursuant to Section 3.3 of ERC Resolution No. 26, Series of 2009, which provides that if a Force Majeure or Fortuitous Event, as the case may be, occurs, the regulated entity shall seek the Commission's confirmation of the implementation of capital expenditure projects arising from such event.

### **THE FORCE MAJEURE EVENT** **(Typhoon Urduja)**

4. Tropical Storm Urduja with international name "Kai-Tak", swept across the regions of Eastern Visayas, Bicol, Western Visayas and Caraga days before Christmas in 2017. The path of Typhoon Urduja in Eastern Visayas followed the path taken by Super Typhoon Yolanda which caused huge damages in the area. However, contrary to Typhoon Yolanda, Typhoon Urduja was a slow moving typhoon causing heavy and sustained rainfall in the province of Biliran which started even four (4) days prior to its actual landfall on December 16, 2017. Days of continued heavy rainfall made Typhoon Urduja the most damaging storm that hit Biliran in the recent years, with reported damages and casualties that surpassed that of Super Typhoon Yolanda.

5. Landslides happened in many places burying houses and claiming lives. Flood waters cut off five (5) key bridges, including Caraycaray and Catmon Bridges which made the capital town of Naval inaccessible right after the typhoon. Due to the massive damage, the entire province of Biliran was put under a state of calamity.

6. Power was out starting dawn of December 15<sup>th</sup> and was totally cut off for several days due to fallen power lines. BILECO's machineries, equipment and materials were trapped in its main office in Naval, which is located between the two broken bridges, making power restoration more difficult. But in spite thereof, BILECO started restoring its distribution lines a day after the storm. Just before Christmas, BILECO has energized 100% of the barangays in its coverage area, leaving only those flooded areas which needed

clearance from the Bureau of Fire Protection. Sitios which were hard to reach were energized by January 2018. Only those houses which were considered not safe for reconnection were left un-energized.

7. However, despite full restoration of power, BILECO has yet to continue rebuilding its distribution lines considering that some parts of the distribution system were only energized temporarily, just to restore power immediately. The work of building back better the distribution lines, is still to be done.

### **DESCRIPTION OF THE PROJECT**

8. The Force Majeure Capital Expenditure (CAPEX) Project sought to be confirmed in the instant application is the restoration of BILECO's network assets damaged by the onslaught of Typhoon Urduja which struck its franchise area on December 16, 2017, consisting of the repair, reconstruction, restoration and building back better of the cooperative's distribution lines and equipment as well as repair and/or replacement of service drop wires and metering facilities.

### **ESTIMATED PROJECT COST**

9. The estimated total cost of the project is Twenty Million Nine Hundred Thirty Two Thousand Six Hundred Ninety Five Pesos and 10/100 (PhP20,932,695.10). Said cost is composed of the following: a) cost of replacement of distribution line materials and equipment as well as service drop wires and metering facilities which were utilized in the immediate repair and reconstruction of the network assets damaged by Typhoon Urduja. Those materials and equipment were sourced either from BILECO's existing materials and equipment and from other projects of which the cooperative was holding inventory of materials at that time, as well as stocks borrowed from neighboring electric cooperatives; b) payment to suppliers for the poles and other materials which were procured to fast-track the restoration; and c) other costs of reconstruction, repair and building back better of BILECO's distribution system damaged by Typhoon Urduja.

### **PROJECT SCHEDULE**

10. Repair and restoration works were immediately undertaken after the typhoon left BILECO's franchise area. However, despite full restoration of power by January 2018, the cooperative has yet to continue rebuilding its distribution lines considering that some parts of the distribution system were only energized temporarily, just to restore

power immediately. The work of building back better the distribution lines is still on-going.

### **JUSTIFICATIONS OR BENEFITS DELIVERED**

11. The project ensured power restoration in the entire coverage area of BILECO and delivery of more reliable and efficient service to its consumers. It was also intended to restore the safety and protection of the cooperative's entire distribution system.

### **PROJECT FINANCING**

12. The total cost of the project shall be funded entirely through a Calamity Grant/Subsidy from the National Electrification Administration (NEA). Thus, it will not have any impact on BILECO's rate.

### **SUBMISSIONS**

13. Finally, in support of the instant application, BILECO is submitting herewith the following documents which are being made integral parts hereof, as follows:

Annex Markings	Nature of Document
A	Notice of Force Majeure Event
B	Executive Summary of the Force Majeure Event Capital Expenditure Project
C and series	Proof of furnishing copies of the Application to the Sangguniang Bayan of Naval and Sangguniang Panlalawigan of Biliran
D and series	Proof of publication of the Application in a newspaper of general circulation within BILECO's franchise area or where it principally operates

## PRAYER

**WHEREFORE**, premises considered, it is respectfully prayed that after due notice and hearing, the Honorable Commission confirm and approve the repair, restoration, replacement and/or rehabilitation and rebuilding works undertaken by BILECO on its distribution lines and equipment as well as service drop wires and metering facilities damaged by the ravages of Typhoon Urduja which hit its franchise area on December 16, 2017.

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

Pasig City, Metro Manila, May 18, 2018.

### **DECHAVEZ LERIOS-AMBOY AND EVANGELISTA LAW OFFICES<sup>1</sup>**

Counsel for the Applicant  
**Biliran Electric Cooperative, Inc. (BILECO)**  
Unit 2008, Tycoon Centre  
Pearl Drive, Ortigas Center, Pasig City 1605  
Tel. Nos. 9101587; 6619357

**By:**

  
**RONALD RYAN A. SANDIGAN**

Roll of Attorneys No. 65412<sup>2</sup>  
PTR No. 3897262, January 16, 2018, Pasig City  
IBP Lifetime Member No. 015204 Masbate City

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

<sup>2</sup>Explanation (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

**ENGR. GERARDO N. OLEDAN**, of legal age, Filipino and with office address at the Biliran Electric Cooperative, Inc. (BILECO), Brgy. Caraycaray, Naval, Biliran, after being sworn to according to law, depose and state that:

1. I am the General Manager of the Biliran Electric Cooperative, Inc. (BILECO), duly authorized to represent the cooperative in filing the instant application, copy of the corresponding Board Resolution is attached hereto 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. BILECO 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.

  
**GERARDO N. OLEDAN**  
Affiant

SUBSCRIBED AND SWORN to before me in Naval, Biliran, this 21<sup>st</sup> day of May 2018, by the affiant who exhibited to me his Driver's License bearing No. H07-99-003868.

Doc. No. 1898 ;  
Page No. 257 ;  
Book No. X ;  
Series of 2018.

~~AT Notary Public~~ **JOINNO R. OPEÑA**  
Notary Public for and in the Province of ~~...~~  
Until December 31, 2018  
Roll of Attorney No. 48741  
IBP LIFETIME NO. 018564  
No. 2290893 Issued on 1-04-17  
NC 02-2017