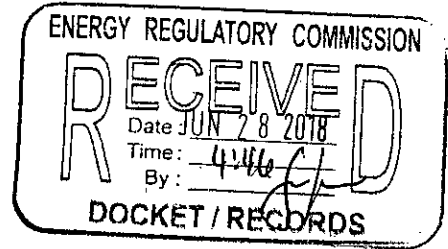


Dellu nje

**REPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
SAN MIGUEL AVENUE, PASIG CITY**

IN THE MATTER OF THE APPLICATION FOR APPROVAL OF FORCE MAJEURE CAPITAL PROJECTS: REHABILITATION OF DISTRIBUTION LINES AND LINE ACCESSORIES, DISTRIBUTION TRANSFORMERS, HARDWARE, PROTECTIVE EQUIPMENT AND KILOWATTHOUR METERS DAMAGED BY TYPHOON NONA AND REGULAR CAPEX FOR 2016-2017 COSTING A TOTAL OF PHP. 215,221,117.74; AND TO SECURE LOAN FROM NEA.

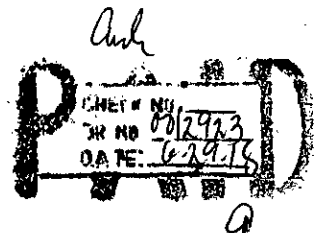


ERC CASE No. 2018-67RC

NORTHERN SAMAR ELECTRIC COOPERATIVE, INC. (NORSAMELCO)

Applicant

X-----X



FORCE MAJEURE CAPEX APPLICATION AND REGULAR CAPEX FOR 2016-2017 WITH AUTHORITY TO SECURE LOAN (DAMAGES CAUSED BY TYPHOON NONA)

COMES NOW Applicant NORTHERN SAMAR ELECTRIC COOPERATIVE, Inc. hereinafter referred to as NORSAMELCO, by and through the undersigned counsel and to this Honorable Commission, most respectfully avers:

1. NORTHERN SAMAR ELECTRIC COOPERATIVE, INC. (NORSAMELCO), is a non-stock non-profit electric cooperative organized and existing under and by virtue of the provisions of P. D. 269 as amended by P.D. 1645, with principal office address located at Brgy. Magsaysay, Bobon Northern Samar, represented herein by its Project Supervisor/Acting General Manager, Hector N. Tabilisma;
2. NORSAMELCO, being an Electric Cooperative, has been granted by the National Electrification Administration (NEA) a 50-year franchise to distribute electric service to its member-consumers in the Municipalities of the Province of Northern Samar, namely: San Isidro, Victoria, Allen, Lavezares, Rosario, San Jose, Bobon, Lope de Vega, Mondragon, Catarman, San Vicente, Capul, San Antonio, Biri, San Roque, Pambujan, Silvino Lobos, Laoang, Catubig, Las Navas, Palapag, Mapanas, Gamay and Lapinig;

3. That pursuant to ERC Resolution No. 26 Series of 2009 and in accordance with Section 3.3 Article III of the Amended Rules for the Approval of Regulated Entities Capital Expenditures Projects; and in accordance with its mandate to render reliable, adequate and efficient electric service to all its consumer-members on an area coverage basis, herein applicant seeks the authority from this Hon. Commission for the approval of the Force Majeure Capital Project: (1) Restoration and Rehabilitation of the cooperative's building and offices, distribution lines, poles, distribution transformers, hardware, protection equipment and accessories, kilowatt-hour meters damaged by Typhoon Nona on December 14, 2015 in the total amount of **PHP. 215,221,117.74** ; (2) Authority to Secure Loans from NEA;
4. That due to the urgent nature of the said project, herein applicant has to immediately restore the destruction caused by typhoon Nona and which damaged the distribution lines, line accessories including poles, distribution transformers, hardware, protection equipment and accessories, office buildings and kilowatt-hour meters of Northern Samar Electric Cooperative (NORSAMELCO) sometime in December 14, 2015;
5. That in compliance with the guidelines and documentary requirements of this Hon. Commission, applicant herein hereby submit the following supporting documents for this Force Majeure CAPEX on Typhoon Nona and regular CAPEX for 2016-2017, as follows:

RESTORATION AND REHABILITATION OF DISTRIBUTION LINES AND LINE ACCESSORIES, LINE ACCESSORIES INCLUDING POLES, DISTRIBUTION TRANSFORMERS, HARDWARE, PROTECTION EQUIPMENT AND ACCESSORIES AND KILOWATTHOUR METERS DAMAGED BY TYPHOON NONA COSTING A TOTAL OF PHP. 215,221,117.74;

a – Budget Request to NEA;

- i Damage Report;
- ii Resolution No. 01-03, Series of 2016;
- iii Accomplishment Report;
- iv Photographs of damage lines and properties;
- v Photographs of accomplished restoration projects

b – NEA Disbursement voucher amounting to Php. 131,176,552.66 covering expenses for the restoration and rehabilitation of distribution lines, line accessories and the replacement of kilowatt-hour meters;

c. – Certification

- i Provincial Disaster Risk Reduction and Management Office "State of Calamity Declaration"
- ii Sangguniang Panlalawigan Resolution No. 207 Series of 2015 "State of Calamity Declaration"

AUTHORITY TO SECURE LOAN FROM NEA- All loan requests for the project of restoration and rehabilitation of lines as well as replacement of meters and repairs of distribution transformers have been released by NEA.

- a- Tentative Schedule of amortization of the loan A. amount of- **PHP. 70,000,000.00** payable in 24 equal quarterly installment with capitalized interest of 1,895,833 and interest rate per annum 3.25% and a one (1) year grace period from release of loan;
 - b- Tentative Schedule of amortization of the loan B. amount of- **PHP. 61,176,523** payable in 24 equal quarterly installment with capitalized interest of 1,822,551 and interest rate per annum 3.25% and a one (1) year grace period from release of loan;
6. That it was due to the urgent nature of this project that herein applicant immediately requested NEA for the release of needed funds to purchase the materials and equipment to be able to immediately restore and rehabilitate the damaged distribution lines and accessories, office buildings, purchase of distribution transformers and kilowatt-hour meters of NORSAMELCO;
7. That the total cost of this Force Majeure CAPEX projects NORSAMELCO has incurred the total cost as follows:
- 1) RESTORATION AND REHABILITATION OF DISTRIBUTION LINES AND LINE ACCESSORIES COSTING A TOTAL OF **PHP 215,221,117.74**;
8. Documents submitted in support of the application:
For damage brought about by Typhoon Nona
- a- Budget Request to NEA;
 - b- Typhoon damage report;
 - c- Photographs of damaged lines;
 - d- NEA disbursement voucher amounting to Php. 70,000,000 and Php 61,176,523;

NORTHERN SAMAR ELECTRIC COOPERATIVE INC.
 (NORSAMELCO)
 BRGY., MAGSAYSAY, BOBON N. SAMAR

FORCE MAJEURE INDICATIVE RATE IMPACT-TYPHOON NONA

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
FROM GF	1,478,438.00	1,478,438.00	1,478,438.00	1,478,438.00	1,478,438.00	1,478,438.00	1,478,438.00	1,478,438.00	1,478,438.00	1,478,438.00
PREVIOUS LOAN AMORTIZATION										
Principal	12,601,217.77	12,983,054.77	13,377,452.77	13,784,824.77	14,205,599.77	14,640,218.77	15,089,130.77	15,552,817.77	16,031,755.77	6,628,834.11
Interest	4,297,090.70	3,915,253.70	3,520,855.70	3,113,483.70	2,692,708.70	2,258,089.70	1,809,177.70	1,345,490.70	866,552.70	437,153.70
Sub-total	16,898,308.47	16,898,308.47	16,898,308.47	16,898,308.47	16,898,308.47	16,898,308.47	16,898,308.47	16,898,308.47	16,898,308.47	7,065,987.81
CAPEX APPROVAL	161,415.84	161,415.84	161,415.84	161,415.84	161,415.84	161,415.84	161,415.84	161,415.84	161,415.84	161,415.84
TOTAL CAPEX PLAN	18,538,162.31	18,538,162.31	18,538,162.31	18,538,162.31	18,538,162.31	18,538,162.31	18,538,162.31	18,538,162.31	18,538,162.31	8,705,841.65
Forecasted Sales (kWh)	80,710,000	87,878,000	95,925,000.00	104,990,000	114,971,000	126,130,000	138,486,000	152,120,000	167,112,000	183,543,000
Indicative Rate Impact (Php/kWh)	0.22969	0.21095	0.19326	0.17667	0.16129	0.14698	0.13386	0.12187	0.11093	0.09743

Prepared by:

GISELLE B. DEASIS
 Accountant

Checked by:

EDITHA G. PERFECTO
 Finance Manager

Approved by:

ENGR. HECTOR N. TABIUSMA
 NEA-PS/Acting General Manager

9. This application is definitely intended to allow NORSAMELCO to render a more reliable, adequate and efficient electric service in compliance to its mandate of total electrification on an area coverage basis;

10. That as such, herein applicant requests the issuance of ERC's approval for the benefit of NORSAMELCO's consumer-members;

P R A Y E R

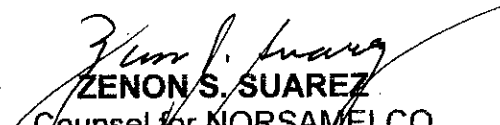
WHEREFORE, IN VIEW OF ALL THE FOREGOING, it is most respectfully prayed of this Hon. Commission that an Order be issued:

Granting immediately the provisional authority/approval for this Force Majeure Capex as follows:

- (1) RESTORATION AND REHABILITATION OF DISTRIBUTION LINES AND LINE ACCESSORIES, DISTRIBUTION TRANSFORMERS, REPAIR OF ITS DAMAGED OFFICES AND BUILDINGS AND REPLACEMENT OF KILOWATTHOUR METERS DAMAGED BY TYPHOON NONA COSTING A TOTAL OF **PHP 215,221,117.74**;
- (2) TO APPROVE THE LOAN AMORTIZATION SECURED FROM NEA FOR THE EXPENSES INCURRED IN THE FORCE MAJEURE CAPEX DAMAGED BY TYPHOON NONA;

And approving/allowing Northern Samar Electric Cooperative-applicant herein to recover the cost of rehabilitation and restoration of its distributions lines, line accessories, repair of its damages offices and buildings and replacement of damaged kilowatthour meters.

Other relief/s just and equitable in the premises are likewise prayed for. Quezon City for Pasig City, Philippines, this 4th day of June, 2018.


ZENON S. SUAREZ
 Counsel for NORSAMELCO
 Rm. 506 Web-Jet Bldg. 64 Quezon Ave.,
 Cor. BMA St. Quezon City
 PTR No. 9499020 1/18/18 Cal. City
 IBP LRN 01592 6/24/99 Pasig City
 Roll No. 25041
 MCLE Compliance No. IV-0002676
 CP No. (0908)-1461208

VERIFICATION/CERTIFICATION

REPUBLIC OF THE PHILIPPINES)
In Quezon City)SS.

That I, Engr. HECTOR N. TABILISMA, of legal age, Filipino, married and with Office address located at Brgy. Magsaysay Bobon N. Samar, after having been duly sworn to in accordance with law hereby depose and says:

1. That I am the PS/ Acting General Manager of Northern Samar Electric Cooperative, Inc. (NORSAMELCO) duly authorized to represent the cooperative in the filing of the Approval of Emergency Capital Expenditure and authority to secure loan from NEA;
2. That I have caused the preparation and filing of the said Application;
3. That I have read and know the contents thereof as true and correct to the best of my own knowledge and authentic records;
4. That I hereby certify that I have not therefore commenced by any other action or proceeding involving the same in the Supreme Court, the Court of Appeals or any other tribunal or agency;
5. That to the best of my knowledge, no such action or proceeding is pending in the Supreme Court, the Court of Appeals or any other tribunal or agency;
6. That if there is such action or proceedings which is either pending or may have been terminated, we must state the status thereof;
7. That should I thereafter learn that similar action or proceedings has been filed or pending before the Supreme Court, the Court of Appeals or any other tribunal or agency, we will undertake to report that fact within five (5) days there from to the Court or agency wherein the original pleading has been filed;

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of June, 2018.

Engr. HECTOR N. TABILISMA
Affiant

SUBSCRIBED AND SWORN to before me at CATARMAN, N. SAMAR
this ___ day of 06 JUN 2018, 2018 by _____ with ID No. _____

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Book No. XIV
Series of 2018

ATY. RICARDO E. AMOS
NOTARY PUBLIC
EXPIRES DECEMBER 31, 2019
PTR No. 372, 147 Jan. 4, 2018
REP. LICENSE NO. 011177
RCH. NO. 51534 May 10, 2006
CAROLINA ST., CATARMAN, N. SAMAR
NOTARIAL COMMISSION 09-2018
MCTE COMPLIANCE No. V-0014326