

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



**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF
BUSINESS SEPARATION
AND UNBUNDLING PLAN
(BSUP) PURSUANT TO
SECTION 36 OF REPUBLIC
ACT NO. 9136 AND RULE
10 OF ITS
IMPLEMENTING RULES
AND REGULATIONS,**

ERC CASE NO. 2017-003 MC

**ZAMBOANGA CITY
ELECTRIC COOPERATIVE,
INC. (ZAMCELCO),
Applicant.**

D O C K E T E D
Date: OCT 03 2017
By: W

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ORDER

On 17 February 2017, Zamboanga City Electric Cooperative, Inc. (ZAMCELCO) filed an *Application* dated 08 February 2017 (*Application*) for the approval of its Business Separation and Unbundling Plan (BSUP).

ZAMCELCO alleged the following in its *Application*:

1. ZAMCELCO is a non-stock, non-profit electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Maria Clara L. Lobregat Highway, Putik, Zamboanga City.
2. It holds an exclusive franchise from the National Electrification Commission to operate an electric light and power distribution service in ninety (90) out of ninety-eight (98) barangays in Zamboanga City.
3. Section 36 of Republic Act No. 9136 otherwise known as the Electric Power Industry Reform Act of 2001 or "EPIRA", provides in part that " Any electric power industry

participant shall functionally and structurally unbundle its business activities and rates in accordance with the sectors as identified in Section 5 hereof. The ERC shall ensure full compliance with this provision.”

4. Pursuant to the said mandate of the EPIRA as well as Rule 10 of its Implementing Rules and Regulations (IRR), the Honorable Commission promulgated Resolution No. 49, Series of 2006 otherwise known as “Business Separation Guidelines, as Amended” as well as Resolution No. 07, Series of 2012, Adopting the Accounting and Cost Allocation Manual (ACAM) for Electric Cooperatives.
5. Further, in line and in compliance with the requirements of the foregoing law, rules and resolutions, ZAMCELCO is submitting herewith for the Honorable Commission’s evaluation and approval, its proposed Business Separation and Unbundling Plan (BSUP) for the business separation and structural and functional unbundling of its business activities, with the end in view of separating its distribution activities into appropriate business segments and to have a clear separation of operations and accounts between its regulated and non-regulated activities.
6. Applicant’s proposed BSUP is divided into six (6) sections, described in detail hereunder, as follows:

SECTION I. DETAILS OF CURRENT STRUCTURE

(a) CORPORATE PROFILE

ZAMCELCO is a non-stock, non-profit electric cooperative duly registered with the National Electrification Administration (NEA) on February 23, 1974. It formally started its operation on April 20, 1974 and was issued its Certificate of Franchise on April 17, 1978.

Status of Electrification as of December 31, 2015: ZAMCELCO has energized 100% of the barangays within its coverage area consisting of ninety (90) barangays where eighty four (84) thereof are in the mainland and the other six (6) are off grid.

As of December 2015, the actual household connections have reached 103,256, broken down as follows: Residential: 92,007; Low Voltage: Commercial - 8,679, Industrial - 99, Public Buildings - 1,159, and St. Lights or Sec. Lights - 492; Higher Voltage: Commercial - 66, Industrial - 53, Public Buildings - 25, and large Load - 7; Sacol Island (R/C/PB/SL) - 470; and Sale for Resale (R/C/PB/SL): 199.

Financial and Statistical Report as of December 31, 2015: As of December 2015, the total kWh Sales for the years aggregated to 442,281,694.

Employees Profile as of December 31, 2015: ZAMCELCO has 328 permanent plantilla positions where 253 are filled and the

remaining 75 are vacant. ZAMCELCO likewise has 18 contractual employees and has outsourced the services of 9 Meter Readers, 29 Disconnection Crew, 8 janitors and 60 security guards.

(b) CORPORATE STRUCTURE

ZAMCELCO's current organizational structure is briefly described as follows:

1. **Office of the General Manager (OGM)**
The OGM is composed of the General Manager with his Secretary and Clerk-Typist, Legal Counsel with his Legal Assistant and the Executive Board Secretary with his Clerk-Typist.
2. **Finance Department (FD)**
The FD has three (3) divisions: the Accounting, Cashiering and the Budget, and Control and Procurement Divisions.
3. **Consumers Account Department (CAD)**
The CAD has two (2) divisions: the Meter Reading & Billing Division and Collection Division.
4. **Institutional Services Department (ISD)**
The ISD has three (3) divisions: the Member Services Division, Power-Use/Housewiring and Metering Division and Administrative/Human Resources Development Division.
5. **Information Communication Technology/ Corporate Planning Department (ICT/CP)**
The ICT/CP has four (4) divisions: the Planning & Evaluation Division, Quality Management & System Division, Information System/Information Technology Division and Data Processing Division.
6. **Internal Audit Department (IAD)**
The IAD is headed by the Internal Audit Department Manager, with the System's Auditor and the Operation/Performance Auditor directly under him.
7. **Engineering Department (ED)**
The ED is composed of three (3) divisions: The Technical Services Division, Material Management Division and Motorpool Division.
8. **Transmission and Distribution Department (T&D)**
The T&D has three (3) divisions: the Operations & Maintenance Division, Voltage Management Division and System loss Reduction Division.
9. **Ayala Sub-Office**
The Ayala Sub-Office has two (2) sections: the Technical Services Section and the Administrative Services Section.

10. Sangali Sub-Office

The Sangali Sub-Office has two (2) sections: the Technical Services Section and the Administrative Services Section.

(c) DESCRIPTION OF FUNCTIONS

Office of the General Manager (OGM)

The general function of the OGM is to administer, plan, organize and operate the Cooperative in accordance with the policies adopted by the Board, subject to the supervision and control of the National Electrification Administration (NEA).

2. Finance Department (FD)

The Finance Department is generally responsible in ensuring that the financial wellbeing of the cooperative is robust. In doing such, the three (3) divisions under its supervision perform its functions in proper coordination in order to produce timely and reliable financial reports for management's decisions, proper safeguarding of financial resources of the cooperative, effective handling of funds and implementation of proper cash management; ensure accurate and reliable computation of rate following ERC Rules and Guidelines; effective forecasting, planning and timely preparation of the budget; help formulate policies and procedures for continuous financial improvement; introduce new innovations to keep pace with the demands of time; steadfast in its compliance with the financial standards of the National Electrification Administration (NEA), the Energy Regulatory Commission (ERC), the Philippine Accounting Standard (PAS) and other regulators monitoring the cooperative; and give support to other departments of the cooperative to achieve the vision, mission and objective of ZAMCELCO.

3. Consumers Account Department (CAD)

The CAD plan, organizes, control and implement all functions and activities in accordance with the coop's policies, for the efficient generation of revenues through accurate and timely meter reading billing within the reading cycle, inspection and implementation of disconnection and reconnection programs. It assist Management in the development and enforcement of strategies to achieve the departmental plans in accordance to the Integrated Computerized Planning Model (ICPM) by way of efficient billing and collection of bills for the member-consumers under its area of jurisdiction, which enable the cooperative to meet its obligation to the power suppliers, other suppliers of equipment and materials and to the organization itself.

4. Institutional Services Department (ISD)

The ISD plays a vital role in the cooperative. It is responsible in evaluating the requirements for new connection as well as the inspection, and the conduct of the Pre-Membership Education Seminar (PMES). Membership development, education and training are also being done by the ISD. Consumer's complaints are also taken care of by this department. It is also responsible

for the hiring of competent employees and their timely deployment to the department needing manpower. Personnel development and training are covered by this department. Any legal issue that involves employees is being taken care of by this department as well.

5. Information Communication Technology/ Corporate Planning Department (ICT/CP)

The ICT/CP is responsible in business re-engineering process of ZAMCELCO, utilizing Information Technology (IT) program analysis/design for PC, Handheld and Mid-Range System, customizes application program of departments. Said department is also in-charge in networking designs and database linkage for entire coop, install/maintain/repair all cooperative's computer system. In addition, printing and publication services is within the province of this department as well as corporate planning and projecting cooperative vision-direction from various departments, goals and objectives. Develops and implements application program for PCs, hand-held computers and mini-computers. It also designs training programs on computer literacy in coordination with the Human Resources and Administrative personnel. Customizes application program for the different departments and other offices. Responsible for the computerization/networking designs of the cooperative. It also provides database administration support to the different users in the Local Area Network (LAN). Provides support thru downloading & uploading of files to and from the server and the hand-held computers for meter readers and the on-line computers of tellers.

6. Internal Audit Department (IAD)

The department is responsible in the extensive review, verification, appraisal, analysis and evaluation of the Cooperative's transactions, projects, system and procedures. It also provides internal control measures and procedures and initiates systems performance audit.

7. Engineering Department (ED)

The ED is in charge of initializing line studies on system planning like load studies and fault calculation, ensures that system facilities under construction and constructed lines are within acceptable REC/NEA technical standards. It likewise supports systems basic mission, programs and projects in terms of materials and vehicles at the lowest economical level.

8. Transmission and Distribution Department (TDD)

The TDD is responsible in providing adequate, reliable and continuous electric service. It is also in-charge in the maintenance of existing distribution lines and construction of lines per approved plans/specifications in the most efficient and economical ways. Its trains and maintains adequate number of workforce especially linemen as well as sustained system loss reduction program.

9. Ayala Sub-Office and Sangali Sub-Office

Sub-Offices are considered as the extension arms of the Cooperative's Main Office to serve member-consumers in the area in terms of new connection, meter installation and service dropping as well as billing and collection. It is also in-charge in providing adequate, reliable and continuous electric services within the area of their responsibilities.

(d) DESCRIPTION OF CURRENT PROCESSES

1. Application for New Connection

This process involves the application of prospective member-consumer, whether classified as residential, commercial or Industrial.

The applicant shall secure from the City Engineer's Office the following requirements: Building Permit, Electrical Permit, Residence Certificate, Electrical Fee Receipt, photocopy of the land Title and Certification from Urban Poor President in case of Urban Poor Resettlement. Upon completion of the requirements, the applicant shall submit the same to the Power Use and Housewiring Division.

Upon receipt of the requirements, the Power Use and Housewiring Division will verify and evaluate the completeness of the requirements. If the applicant was able to submit all the requirements, the Power Use and Housewiring Division will encode the applicant's information in the New Connection Database then the preparation of inspection report form and assign a service application number. This will also be forwarded to the Housewiring Inspector.

Site Inspection by the Housewiring Inspector will be conducted, and the inspection report will be forwarded to the Member Relation & Records Officer for the Pre-Membership Seminar.

On the other hand, should the applicant's requirement are not complete, the Power Use and Housewiring Division shall forward the application to the City Engineer's Office.

2. Meter Reading

The meter reading cycle starts on the 16th of every month and ends on the 26th. Currently, ZAMCELCO outsource the services of Meter Readers.

The process starts once the Meter Readers have their assigned routes. The Meter Reader shall classify whether the route assigned to him is for download or download schedule or last route in the schedule. If it is for download schedule, the Meter Reader will have to secure a clearance to know the right schedule. If it is for download, he will immediately proceed to his assigned routes, read the consumers kWh meters, upload data from handheld computer then print a report summary of the bills then endorse the reports to group of editors for checking. If the assigned route is the last schedule, the Meter

Reader will just upload data from handheld computer then return the PSION Handheld to the Billing Supervisor.

3. Billing

This process starts after the bills are processed in the billing software and then produced in printed form and sorted for RECAP.

After all the corrections are made in the bill, the Billing Section Personnel will get account number and endorse the same to MIS/DP for billing. The billing will be compared to the computer data. In case there is unbalance, the cause will have to be determined. In case of wrong LR, the billing will be reconstructed and adjust the kWh consumption. If the billing is an additional account, a summary bill will be printed for recap, otherwise, the route shall be allowed to be completed.

4. Collection

The process starts when the consumers who paid their bills based on their statement of accounts for the billing period. The Head Teller receives checks for the teller and counter the same. This will be consolidated daily for the collection report which will be submitted to the Cash Collection Head. The Head Teller will likewise monitor all inter-bank payments and follow up all returned checks. If NSF/DAIF checks are returned, the Head Teller will redeposit the checks that are to be re-funded, otherwise, it will be returned to the payor. The Head Teller will prepare a daily deposit report, monthly inter-bank payment summary and assist the Cash Collection Head for the preparation of DCPR.

The Assistant Cashier will prepare and update the DPCR with reports of the Cash Collection Officer and Disbursing Officer. The Cashier will review and sign the said report subject to GM's approval. The Cash Collection Head will provide a copy of the Daily Cash Position report to the Audit Department and OGM for reference and decision making.

5. Disconnection

The process starts after the Disconnection Head had identified the disconnection activity to be performed. If there is a request for disconnection, the request will be received either for total or temporary disconnection and the requester will be required to pay existing accounts at the cashier, if there is any.

The Disconnection/Reconnection Officer will prepare a Turn Off Order and instruct the requester to sketch their location and proceed to CAD Manager for approval. He will likewise inform the Disconnection Team about the execution of disconnection. The disconnection through the Disconnection Team will follow and then the team will update the disconnection database from the report submitted.

6. Reconnection

The delinquent consumers will secure from the Consumers' Account Department the following documents: Accounts Receivable/ statement of account, Consumer ledger, and disconnection certificate. Those disconnected for a year or more, will have to secure certification of final Inspection and Completion from the City Engineer's Office, and those disconnected for three (3) months and above, their premises will be re-inspected by the Institutional Services Department inspectors. Those who had been disconnected for less than three (3) months, must settle first their arrears and pay the corresponding reconnection fee and energy deposit, after settling their obligations. They will proceed to the Institutional Services Department for the preparation of turn-on order, then go to Audit Department for evaluation as to the completeness of the documents. Finally, they have to go to the NEA Staff for approval of reconnection. The Consumers Account Department will do the reconnection

7. Procurement of CAPEX and NON-CAPEX

ZAMCELCO sets the guidelines and procedures on contracts, procurement or purchase of goods and services based on R.A. 10531. No procurement shall be undertaken unless it is within the approved Workplan, CAPEX or Cash Operation Budget (COB).

This process starts with the requisition to be made by the requesting department. It applies to both CAPEX and NON CAPEX expenditures.

Upon GM's approval of the request, the Procurement Officer prepares the requisition voucher and determines or estimates the amount required. Purchases of goods or services amounting to Php1.0 Million and above shall be subjected to public bidding, procedures and process to be handled by the Bids and Awards Committee (BAC). The BAC activities include the preparation of bid documents, publication of invitation to bid, preparation of evaluation report and recommendation to the General Manager for award of contract. The BAC shall have at least five (5) members occupying department level plantilla and permanent position in the Cooperative. No member of the Board nor the General Manager can sit as member of the BAC.

In order to enhance transparency, one from the Internal Audit Department acts as an observer in all the stages of the bidding process. Also, to assist the BAC in the evaluation of the procured item/s, a Technical Working Quality Control Group is created. The BAC will submit its recommendation for the approval of the GM, once the award of contract is approved by the GM, the Notice of Award and Purchase Order shall be prepared. Repeat Order from a winning bidder is allowed as long as the price is the same or lower than the original bided price and is done within the period of six (6) months from the date of bidding. For services, renewal of contract is allowed as long as the quality of service provided is not diminished.

For purchases of goods and services below PhP1.0 Million but above three hundred thousand (PhP300,000.00), the BAC handles the procurement by securing sealed quotations/ canvass from at least three (3) suppliers, after which a Purchase Order shall be approved by the GM.

Emergency procurement is undertaken only in times where immediate action is necessary to avoid any delay in project/activity that would cause the Cooperative imminent loss of life and/or property. All emergency procurement will be based on canvass of prices from at least three (3) suppliers.

Procurement through direct purchase or negotiation may be allowed in cases where the competitive bidding is not feasible like in cases of sole distributorship and when there is failure in the bidding process for two (2) times. Splitting of contracts/ purchases is strictly prohibited.

8. Consumer Complaints

The Consumers Welfare Desk Officer is responsible in receiving complaints whether through Phone-In, Walk-In or SMS Complaints, the CWDO is responsible to evaluate if the complaints are considered as emergency or not. If the complaint needs immediate action, the CWDO will record it first before forwarding the complaint to the department concern. The CWDO will do the follow-up call to the complainant to verify the development of the complaint. The Consumers Welfare Desk Officer will consolidate all the complaints and submit accomplishment report to Energy Regulatory Commission.

SECTION II. DETAILS OF BUSINESS SEGMENTS

ZAMCELCO shall adopt the seven (7) business segments provided in the Business Separation Guidelines. Below are the descriptions of each business segment, which are further classified into Regulated and Non-Regulated business segments:

A. Regulated Business Segment

1. Distribution Services Business Segment

The services included in this segment are:

- a. Conveyance of electricity through a Distribution System and the control and monitoring of electricity as it is conveyed through the Distribution System (including any services that support such conveyance, control or monitoring or the safe operation of the Distribution System);
- b. The provision of Ancillary Services (if any) that are provided using assets which form part of a Distribution System (an example of such Ancillary Services are services provided by a series reactor or a static var compensator);

- c. The planning, maintenance, augmentation and operation of a Distribution System;
- d. The provision, installation, commissioning, testing, repair, maintenance and reading of WESM-related meters that are not also used to measure the delivery of electricity to end-users or other customers; and
- e. Billing, collection and provision of customer services that are directly related to the delivery of electricity to end-user or that relate to the connection of such persons to a Distribution System (whether such services are provided to those end-users or to Suppliers or to any other person).

Distribution Connection Services Business Segment

The services included in this segment are the following:

- a. The provision of capability at each Connection Point to a Distribution System in order to deliver electricity to or take electricity from the Connection Point, and conveyance of electricity:
 - (i) from the facilities of persons which are directly connected to the Distribution System to the Connection Point; or
 - (ii) from the Connection Point to the facilities of persons which are directly connected to the Distribution System;
- b. The planning, installation, maintenance, augmentation, testing and operation of Distribution Connection Assets; and
- c. The provision of other services that support any of the above services.

Regulated Retail Services Business Segment (RRS)

The services included in this segment are the following:

- a. Billing, collection and the provision of customer services to such end-users in their capacity as electricity consumers;
- b. Energy trading (including the purchase of electricity and hedging activities) undertaken in connection with the sale of electricity to end-users who are in the Captive Market;
- c. The sale of electricity to end-users who are included in the Captive Market; and
- d. Provision, installation, commissioning, testing, repair, maintenance and reading of meters that are used to measure the delivery of electricity to end-users who are included in the Captive Market.

Last Resort Supply Business Segment (LRS)

The services included in this segment are the following:

- a. Sale of electricity to SOLR Customers; and
- b. Billing, collection and provision of basic customer service to SOLR customer.

Wholesale Aggregation (WA)

The services included in this segment are the following:

- a. Distribution Utility's service of purchasing electricity in bulk and selling this to other Distribution Utility; and
- b. Provision of Wholesale Aggregation services provided by a Distribution Utility, namely services pertaining to the sale of electricity to other Distribution Utilities including billing, collection and the provision of basic customer service.

B. Non-Regulated Business Segment

Non-Regulated Retail Business Segment (NRR)

The services included in this segment are the following:

- a. Billing, collection and the provision of customer services to such end-users in their capacity as electricity consumers or to such other customers in their capacity as purchasers of electricity;
- b. Energy trading (including the purchase of electricity and hedging activities) undertaken in connection with the sale of electricity to end-users who are included in the contestable market or to other customers who are not end-users;
- c. The sale of electricity to end-users who are included in the contestable market or to other customers who are not end-users; and
- d. Provision, installation, commissioning, testing, repair, maintenance and reading of meters that are used to measure the delivery of electricity to end-users who are included in the contestable market or to other customers who are not end-users (whether such services are provided to those end-users or other customers, to Suppliers or to any other person).

Related Businesses Business Segment (RB)

The services included in this segment are the following:

- a. Provision of all other services, and carrying out of all other activities that utilize distribution assets, facilities or staff (not

being services or activities referred to elsewhere in the above business segments);

- b. Electricity related services, such as the construction and maintenance of customer installations; and
- c. Non-electricity related services, such as telecommunications services.

SECTION III. ACCOUNTING SEPARATION

ZAMCELCO shall adopt the ERC-approved Accounting and Cost Allocation Manual (ACAM) in its operations. It shall likewise adopt certain policies and principles to be able to achieve an effective accounting separation, as follows:

- a. Principles to Achieve Accounting Separation
- b. Allocation Principles
- c. Chart of Accounts
- d. Requirement for Audit

SECTION IV. DESCRIPTION OF SEPARATION

ZAMCELCO will remain as of this filing a single entity and will be unbundled through separation of employees and its assets as deemed appropriate. The separation will be through evaluation of workloads, job descriptions, qualifications and usage in the case of the fixed assets.

It will allocate its departments to its business segments. However, for departments with un-attributable costs, allocation factors will be utilized as prescribed in the ACAM.

ZAMCELCO's BSUP presents a diagrammatic presentation of the following:

- a. General Structure Per Business Segment
- b. Detailed Structure Per Business Segment
- c. Detailed Structure Per Department
- d. Detailed Structure Per Area

SECTION V. MILESTONES AND HIGHLIGHTS

Details on ZAMCELCO's Milestones and Highlights are documented in the BSUP.

SECTION VI. PROGRAM FOR CODE OF CONDUCT

ZAMCELCO shall comply with ERC Resolution No. 31, Series of 2006, the Code of Conduct for Competitive Retail Market participants.

Printed as well as electronic copies of ZAMCELCO's proposed BSUP are being submitted herewith and made integral parts hereof as **Annexes "A" and "A-1"** respectively.

7. Further, ZAMCELCO is likewise submitting herewith for the Honorable Commission's consideration and approval, a set of Confidentiality Policies and Guidance to be observed by concerned personnel of the cooperative, together with a Board Resolution adopting certain sets of obligations imposed upon Distribution Utilities, among others, as provided under Article V of the Business Separation Guidelines (BSG), attached hereto and made integral parts hereof as **Annexes "B" and "C,"** respectively.
8. Finally, ZAMCELCO prepared an Accounting Separation Statement in accordance with the Accounting and Cost Allocation Manual (ACAM) for Electric Cooperatives, based on its Audited Financial Statements for the Years 2014 and 2015, for the Honorable Commission's consideration. It is being submitted herewith together with the cooperative's 2014 and 2015 Audited Financial Statements, attached hereto and made integral parts hereof as **Annexes "D" and "E,"** respectively.

PRAYER

WHEREFORE, premises considered, it is respectfully prayed of this Honorable Commission that after due notice and hearing, ZAMCELCO's proposed BUSINESS SEPARATION AND UNBUNDLING PLAN (BSUP) be approved accordingly.

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

Finding the said *Application* sufficient in substance with the required fees having been paid, the same is hereby set for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **16 October 2017 (Monday) at two o'clock in the afternoon (2:00 P.M.) at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

ZAMCELCO is hereby directed to:

- 1) Cause the publication of the attached Notice of Public Hearing in one (1) newspaper of nationwide circulation in the Philippines at its own expense at least once (1x), to be made not later than ten (10) days before the date of the scheduled initial hearing;

- 2) Furnish with copies of this Order and the attached Notice of Public Hearing the Offices of the Provincial Governors, the City and Municipal Mayors, and the Local Government Unit (LGU) legislative bodies within the affected franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon, the consumers within the affected franchise area, by any other means available and appropriate;
- 4) Furnish with copies of this Order and the attached Notice of Public Hearing, the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire to send their duly authorized representatives at the scheduled hearing; and
- 5) Furnish with copies of the *Application* and its attachments all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, Applicant must submit to the Commission its written compliance with the aforementioned jurisdictional requirements attaching therewith, methodically arranged and duly marked the following:

- 1) The evidence of publication of the attached Notice of Public Hearing consisting of affidavit of the Editor or Business Manager of the newspaper where the said Notice of Public Hearing was published, and the complete issue of the said newspaper;
- 2) The evidence of actual posting of this Order and the attached Notice of Public Hearing consisting of certifications issued to that effect, signed by the aforementioned Governors, Mayors, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;

- 3) The evidence of other means employed by Applicant to inform of the filing of the *Application*, its reasons therefore, and of the scheduled hearing thereon, the consumers within the affected franchise area;
- 4) The evidence of receipt of copies of this Order and the attached Notice of Public Hearing by the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Application* and its attachments by all those making requests therefor, if any; and
- 6) Such other proofs of compliance with the requirements of the Commission.

Applicant and all interested parties are also required to submit, at least five (5) days before the date of initial hearing and Pre-Trial Conference, their respective Pre-Trial Briefs containing, among others:

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;
- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

Failure of Applicant to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from the said date of cancellation.

ZAMCELCO must also be prepared to make an expository presentation of the instant *Application*, aided by whatever communication medium that it may deem appropriate for the

purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the *Application* is all about and the reasons and justifications being cited in support thereof.

SO ORDERED.

Pasig City, 25 September 2017.

FOR AND BY AUTHORITY
OF THE COMMISSION:



ALFREDO J. NON
OIC, Chairman and CEO



LS: CRC/LS/ APV ord.2017-003MC ZAMCELCO

Copy Furnished:

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2. Zamboanga City Electric Cooperative, Inc.
(ZAMCELCO)
MCLL Highway, Putik, Zamboanga City.
3. Office of the Solicitor General (OSG)
134 Amorsolo Street, Legaspi Village, City of Makati 1229
4. Commission on Audit (COA)
Commonwealth Avenue, Quezon City 1121
5. Senate Committee on Energy
GSIS Building, Roxas Boulevard, Pasay City 1300
6. House of Representatives Committee on Energy
Batasan Hills, Quezon City 1126
7. Office of the City Mayor
Zamboanga City
8. Office of the Sangguniang Panglungsod
Zamboanga City

9. Philippine Chamber of Commerce and Industry (PCCI)
3rd Floor, Chamber and Industry Plaza (CIP),
1030 Campus Avenue corner Park Avenue,
McKinley Town Center, Fort Bonifacio, Taguig City

10. Regulatory Operations Service
17th Floor, Pacific Center, San Miguel Avenue
Pasig City