

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
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, BUILDINGS AND FACILITIES  
DAMAGED BY SUPER TYPHOON  
YOLANDA**

**ERC CASE NO. 2014-039 RC**

**DON ORESTES ROMUALDEZ  
ELECTRIC COOPERATIVE, INC.  
(DORELCO),**

**Applicant.**

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**DOCKETED**  
Date: FEB 03 2015  
BY: *W*

**ORDER**

On April 7, 2014, the Don Orestes Romualdez Electric Cooperative, Inc. (DORELCO) filed an application for confirmation and approval of force majeure event capital expenditure project, re: repair, restoration, replacement and/or rehabilitation of distribution lines, buildings and facilities damaged by super Typhoon Yolanda.

In the said application, DORELCO alleged, among others, that:

1. It is a non-stock, non-profit electric cooperative duly organized and existing under and by virtue of the laws of the Philippines, with principal office at Barangay San Roque, Tolosa, Leyte;

2. It holds an exclusive franchise issued by the National Electrification Commission (NEC), to operate an electric light and power distribution service in the Municipalities of Abuyog, Burauen, Dagami, Dulag, Lapaz, Julita, Javier, Macarthur, Mahaplag, Mayorga, Tabon, Tanauan and Tolosa, all in the Province of Leyte;
3. At 5:00 A.M. of November 8, 2013, National Disaster Risk Reduction and Management Council (NDRRMC) issued Severe Weather Bulletin (SWB) No. 6 stating that Typhoon Yolanda has made a landfall over Guiuan, Eastern Samar, with maximum sustained winds of 235 kph near the center and gustiness of up to 275 kph and was forecasted to move WNW at 39 kph placing various Visayas areas under Storm Signal No. 4, namely: Northern Samar, Eastern Samar, Samar, Leyte, Southern Leyte, Biliran, Northern Cebu, Cebu City, Bantayan, Camotes Islands, Northern Negros Occidental, Capiz, Aklan, Antique, Iloilo and Guimaras;
4. Typhoon Yolanda made its second landfall over Tolosa, Leyte at 7:00 A.M. and the eye of the Typhoon Yolanda was located at the vicinity of Ormoc City, Leyte with maximum sustained winds of 215 kph near the center and gustiness of up to 250 kph. At about 9:00 A.M., the eye of Typhoon Yolanda was located at the coast of Palompon, Leyte with same maximum speed and gustiness. It made six (6) landfalls before traversing over the West Philippine Sea and at 3:30 P.M. of November 9, 2013, it was reported to be outside Philippine Area of Responsibility (PAR);
5. Typhoon Yolanda was classified as Category 5 super typhoon. It is also the strongest storm recorded at landfall, and unofficially the strongest typhoon ever recorded in terms of wind speed (315kph). About 6,200 individuals were reported dead and about 28,000 injured while about 1,700 are still missing. Over 3,000,000 families (16,000,000 persons) were affected by the onslaught of Typhoon Yolanda;
6. The instant application is being filed pursuant to Section 3.3, Article III of the Commission's Amended Rules for the Approval of Regulated Entities' Capital Expenditure Project, as well as other pertinent laws, rules and regulations;

7. The force majeure event capital expenditure project consists of the repair, restoration, replacement and/or rehabilitation of its heavily damaged distribution lines and facilities as well as Main Office Headquarters and Sub-Offices;
8. The estimated cost of repair, restoration, replacement and/or rehabilitation of the damaged properties of DORELCO is Seven Hundred Fourteen Million, Eight Hundred Ninety Three Thousand Three Hundred Sixty Eight Pesos (PhP714,893,368.00);
9. Repair, restoration and rehabilitation works were immediately started after the typhoon subsided and still on-going up to this time;
10. The project was necessitated in order to restore electric power and achieve a safe and reliable power supply in the cooperative's franchise area;
11. The full cost of the project shall be financed wholly out of the Yolanda Recovery and Rehabilitation Program (YRRP) subsidy allocated for DORELCO by the national government;

#### RATE IMPACT OF THE PROJECT

12. Since the full cost of the project will be funded through government subsidy, the project will have no impact on the rates to applicant's customers;

#### COMPLIANCE WITH PRE-FILING AND DOCUMENTARY REQUIREMENTS

13. Finally, in compliance with the pre-filing and other documentary requirements for the application, applicant is submitting the following documents to form integral parts of the application, as follows:

Annex	Nature of Document
A	DORELCO Board Resolution authorizing the filing of the instant application
B	Notice of Force Majeure Event (Typhoon Yolanda) dated February 5, 2014
C	Executive Summary of the Project
D to D-1	Proof of furnishing of copies of the Application to the Sangguniang Bayan of Tolosa and the Sangguniang Panlalawigan of Leyte
E to E-2	Publication of the Application in a newspaper of general circulation within DORELCO's franchise area or where it principally operates, with Affidavit of Publication

14. It prays that after due notice and hearing, the repair, restoration, replacement and/or rehabilitation works it undertook on its distribution lines, facilities and other properties destroyed by Super Typhoon Yolanda on November 8, 2013, be confirmed and approved.

Finding the said application to be sufficient in form and in substance with the required fees having been paid, the same is hereby set for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **March 26, 2015 (Thursday) at nine o'clock in the morning (9:00 A.M.), at the DORELCO Principal Office, Barangay San Roque, Tolosa, Leyte.**

DORELCO is hereby directed to cause the publication of the attached Notice of Public Hearing, at its own expense, twice (2x) for two (2) successive weeks in two (2) newspapers of general circulation in the Philippines, with the date of the last publication to be made not later than ten (10) days before the date of the scheduled initial hearing. It is also directed to inform the consumers within its franchise area, by any other means available and appropriate, of the filing of the instant application, its reasons therefor and of the scheduled hearings thereon.

Let copies of the application, this Order, and the attached Notice of Public Hearing be furnished 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 hearings.

Likewise, let copies of this Order and the attached Notice of Public Hearing be furnished the Offices of the Governor of Leyte and the Mayors of the Municipalities within the franchise area of DORELCO for the appropriate posting thereof on their respective bulletin boards.

DORELCO is hereby directed to furnish all those making requests therefor with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, DORELCO must submit to the Commission its written Compliance with the jurisdictional requirements attaching therewith, methodically arranged and duly marked, the evidences of the actual posting and publication of the Notice of Public Hearing consisting of certifications issued to that effect, signed by the afore-mentioned Governor and Mayors or their duly authorized representatives, bearing the seals of their offices, and the affidavits of the Editors or Business Managers of the newspapers where said Notice of Public Hearing were published together with the complete issues of the said newspapers, and such other proofs of compliance with the requirements of the Commission.

DORELCO and all interested parties are directed 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:

- (a) A summary of admitted facts and proposed stipulation of facts;
- (b) The issues to be tried or resolved;
- (c) The documents or exhibits to be presented, stating the purposes thereof and proposed markings therefore; and
- (d) The number and names of the witnesses, with their written testimonies in an individual affidavit form, to be attached to the Pre-Trial Brief.

Failure of DORELCO to submit the required Pre-Trial Brief and Judicial Affidavits of its witnesses 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 said date of cancellation.

As part of the pre-trial conference, DORELCO must also be prepared to make an expository presentation of its 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, January 26, 2015.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**ZENAIDA G. CRUZ-DUCUT**  
Chairperson 4

**Copy Furnished:**

1. **LERIOS-AMBOY AND DE LOS REYES LAW OFFICES**  
Counsel for DORELCO  
Units 1609-1610, Tycoon Centre, Pearl Drive, Ortigas Center, Pasig  
City 1605
2. **DON ORESTES ROMUALDEZ ELECTRIC COOPERATIVE, INC.  
(DORELCO)**  
Barangay San Roque, Tolosa, Leyte
3. **The Office of the Solicitor General**  
134 Amorsolo Street, Legaspi Village, Makati City  
Metro Manila
3. **The Commission on Audit**  
Don Mariano Marcos Avenue  
Diliman, Quezon City, Metro Manila
4. **The Committee on Energy**  
Senate of the Philippines  
GSIS Building, Roxas Blvd., Pasay City, Metro Manila
5. **The Committee on Energy**  
House of Representatives  
Batasan Hills, Quezon City, Metro Manila
6. **Office of the President of PCCI**  
Philippine Chamber of Commerce and Industry (PCCI)  
3<sup>rd</sup> Floor, Chamber and Industry Plaza (CIP)  
1030 Campus Avenue corner Park Avenue  
McKinley Town Center, Fort Bonifacio, Taguig City
7. **Office of the Provincial Governor**  
Province of Leyte
8. **Office of the Municipal Mayor**  
Abuyog, Leyte
9. **Office of the Municipal Mayor**  
Burauen, Leyte
10. **Office of the Municipal Mayor**  
Dagami, Leyte
11. **Office of the Municipal Mayor**  
Dulag, Leyte
12. **Office of the Municipal Mayor**  
Mayorga, Leyte
13. **Office of the Municipal Mayor**  
Lapaz, Leyte
14. **Office of the Municipal Mayor**  
Julita, Leyte

15. **Office of the Municipal Mayor**  
Javier, Leyte
16. **Office of the Municipal Mayor**  
Macarthur, Leyte
17. **Office of the Municipal Mayor**  
Tabon-Tabon, Leyte
18. **Office of the Municipal Mayor**  
Tanauan, Leyte
19. **Office of the Municipal Mayor**  
Tolosa, Leyte
20. **THE NATIONAL GRID CORPORATION OF THE PHILIPPINES  
(NGCP)**  
National Grid Corporation of the Philippines (NGCP)  
Quezon Avenue corner BIR Road, Diliman, Quezon City