

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



**IN THE MATTER OF THE
APPLICATION FOR APPROVAL
OF CAPITAL EXPENDITURE
PROJECTS FOR 2016 TO 2018
WITH PRAYER FOR THE
ISSUANCE OF PROVISIONAL
AUTHORITY**

ERC CASE NO. 2015-082 RC

**PAMPANGA I ELECTRIC
COOPERATIVE, INC., (PELCO
I),**

Applicant.

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DOCKETED
Date: JUL 27 2015
By: *ML*

ORDER

On April 28, 2015, the Pampanga I Electric Cooperative Inc., (PELCO I) filed an application for approval of capital expenditure projects for 2016 to 2018 with prayer for the issuance of provisional authority.

In the said application, PELCO I alleged, among others, the following:

1. It 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 Sto. Domingo, Mexico, Pampanga;
2. It holds an exclusive franchise issued by the National Electrification Administration (NEA) to operate an electric light and power distribution service in the municipalities of Arayat, Candaba, Magalang, Mexico, Sta. Ana and San Luis;

3. Pursuant to the Commission's Resolution No. 26, Series of 2009, and other pertinent rules and regulations, the instant application is filed for the approval of its CAPEX projects for the years 2016-2018;
4. In compliance with the Commission's rules, it states clearly the description of each project and attaches relevant documents to support the following requirements: a) Project Code, b) Project Type, c) Project Category, d) Project Title, e) Project Cost, f) Project Duration; g) Project Description, h) Project Justification, i) Technical Analysis, j) Economic Analysis, k) Annexes, and l) Project Financing Plan;
5. Its proposed capital projects to be are as follows:

A. NETWORK PROJECTS		
<i>Code</i>	<i>Project Title</i>	<i>Cost</i>
NP01	Upgrading of Plaza Luma substation from 10 MVA to 20 MVA	19,034,954.40
NP02	Restoration of San Isidro Substation	6,161,505.00
NP03	Rehabilitation and Upgrading of the following Substation Switchgears: a. Sta. Monica b. San Nicolas	5,487,428.80
NP04	Rehabilitation of Old Lines: a. Group 1 b. Group 2 c. Group 3	42,390,372.07
	Subtotal	73,074,260.27

A. OTHER NETWORK PROJECTS		
ONP1	Distribution Transformers	17,109,000.00
ONP2	Service Drops	4,433,760.00
ONP3	Add-ons (KWH Meters for New Customer Connection)	8,433,580.00
ONP4	Back-up Protections	3,750,000.00
	Subtotal	33,726,340.00

A. NON-NETWORK PROJECTS		
NNP01	Construction of Multi-Purpose Building that houses Fitness and Health Gym, Library and Museum	3,064,739.91
NNP02	Construction of Covered Parking Area for Service Vehicles	1,626,225.96
NNP03	Construction of Wash Area and Public Restrooms	849,434.14
NNP04	Renovation of Warehouse Building, IT Repair Room, Lineman's Quarter and Meter Shop	1,141,968.71
NNP05	Construction of Pole Storage Yard and Service Roads	2,216,126.80
NNP06	Construction of Fuel Refilling Station	1,071,499.18
NNP07	Acquisition of Transportation Service Vehicles	95,232,000.00
NNP08	Acquisition of Mobile Bunk House	2,250,000.00
NNP09	Acquisition of Electronic Meter Standard and Phantom Load	1,200,000.00
NNP10	Acquisition of Distribution System Application Software (DSAS) - Simulation and Reliability Analyses	660,000.00
NNP11	Acquisition of Daylight Ultraviolet Imaging Camera	4,000,000.00
	Subtotal	113,311,994.70
	GRAND TOTAL	220,112,594.97

6. Its capital expenditure projects are necessary for effective operation and maintenance of the distribution system of in order to provide safe, efficient, reliable, least-cost and quality electric services to consumers;
7. Its capital expenditure projects are in compliance with the Philippine Grid Code (PGC), the Philippine Distribution Code (PDC), the latest edition of the Philippine Electrical Code (PEC), the provisions of Republic Act No. 9136 and the implementing guidelines on capital expenditure projects;
8. It is consistent with the Distribution Development Plan that was submitted to the Department of Energy (DOE);

9. Its proposed capital expenditure projects will be financed through the Re-investment Fund for Sustainable Capex (RFSC) and the Internally Generated Fund (IGF);
10. It assures that there will be no increase in the current approved RFSC rate of P0.2964; and
11. It prays that the Commission issue a provisional authority pending trial on the merits, and approve, after notice and hearing, the instant application and render judgment making provisional approval permanent.

Finding the said application sufficient in form and 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 **September 4, 2015 (Friday) at ten o'clock in the morning (10:00 A.M.) at PELCO I main office, Sto. Domingo, Mexico, Pampanga.**

PELCO I 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 circulations 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, by any other means available and appropriate, of the filing of the instant application, its reasons therefor, and of the scheduled hearing 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 hearing.

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

PELCO I 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, PELCO I must submit to the Commission its written Compliance with the jurisdictional requirements attaching therewith, methodically arranged and duly marked, the evidences on 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 the 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.

PELCO I 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 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 PELCO I 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, PELCO I 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.

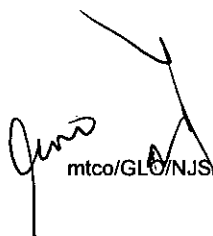
Pasig City, July 20, 2015.

FOR AND BY AUTHORITY OF
THE COMMISSION:



ALFREDO J. NON
Officer-in-Charge and
Commissioner

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Copy Furnished:

1. **Atty. ARNIDO O. INUMERABLE**
Counsel for Applicant PELCO I
405 Elisa Street, U.E. Village, Cainta, Rizal
2. **THE OFFICE OF THE SOLICITOR GENERAL**
234 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**
House of the Senate
GSIS Building, Roxas Blvd., Pasay City, Metro Manila
5. **THE COMMITTEE ON ENERGY**
House of Representatives
Batasan Hills, Quezon City, Metro Manila
6. **PAMPANGA I ELECTRIC COOPERATIVE, INC.
(PELCO I)**
Attention: ENGR. LOLIANO E. ALLAS
General Manager
Sto. Domingo, Pampanga
7. **Office of the President of PCCI**
Philippine Chamber of Commerce and Industry (PCCI)
3rd Floor, ECC Building, Sen. Gil Puyat Avenue
Makati City
8. **Office of the Municipal Mayor**
Municipality of Arayat
Province of Pampanga
9. **Office of the Municipal Mayor**
Municipality of Candaba
Province of Pampanga
10. **Office of the Municipal Mayor**
Municipality of Magalang
Province of Pampanga

- 11. Office of the Municipal Mayor**
Municipality of Mexico
Province of Pampanga
- 12. Office of the Municipal Mayor**
Municipality of San Luis
Province of Pampanga
- 13. Office of the Municipal Mayor**
Municipality of Sta. Ana
Province of Pampanga