

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 AND
FACILITIES DAMAGED BY
SUPER TYPHOON YOLANDA

ERC CASE NO. 2014-038 RC

OCCIDENTAL MINDORO
ELECTRIC COOPERATIVE, INC.
(OMEKO),

Applicant.

X ----- X

DOCKETED
Date: JUL 15 2014
By: AN

ORDER

On April 7, 2014, Occidental Mindoro Electric Cooperative, Inc. (OMEKO) filed an application for confirmation and approval of force majeure event capital expenditure project, re: repair, restoration, replacement and/or rehabilitation of distribution lines and facilities damaged by Super Typhoon Yolanda.

In the said application, OMEKO alleged, among others, the following:

1. It is an electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the

Philippines, with principal offices at San Jose, Occidental Mindoro;

2. It is the holder of an exclusive franchise issued by the National Electrification Commission (NEC), to operate an electric light and power distribution system in the municipalities of Abra de Ilog, Calintaan, Magsaysay, Mamburao, Paluan, Rizal, Sablayan, San Jose and Santa Cruz, all in the province of Occidental Mindoro. With respect to the municipality of Paluan, its power distribution service is being provided by the municipal government;

THE FORCE MAJEURE EVENT **(Super Typhon Yolanda)**

3. Sometime on November 8, 2013, at around 5:00 P.M, Super Typhoon Yolanda entered the province of Occidental Mindoro with a maximum sustained wind of 268.8 kph, placing the whole province under Typhoon Signal No. 4. The Municipalities of San Jose, Magsaysay, Rizal and Calintaan were hardly hit, while the Municipalities of Mamburao, Abra de Ilog, Sta. Cruz and Sablayan on the northern part of the province suffered lesser damage. Its distribution system was never spared. Poles were fallen while the accessories were damaged together with transformers, protections, consumers' service drops and kWh meters;

DESCRIPTION OF THE PROJECT

4. The force majeure event capital expenditure project consists of the repair, restoration, replacement and/or rehabilitation of its damaged poles and accessories, transformers and protection, kWh meters and consumers' service drops;

ESTIMATED PROJECT COST

5. Total estimated cost of repair, restoration, replacement and/or rehabilitation of the damaged properties is Six Million Seven Hundred Forty Thousand Seven Hundred Eighty-Seven Pesos and Seventy-Five Centavos (PhP6,740,787.75);

PROJECT SCHEDULE

6. Repair and restoration works were immediately undertaken after the typhoon left the province and was finished by December 10, 2013. However, with respect to poles and assembly which were temporarily re-erected and re-enforced, full rehabilitation will be undertaken upon release of the government subsidy and procurement of poles and materials;

JUSTIFICATIONS OR BENEFITS TO BE DELIVERED

7. The project was necessitated in order to restore electric power and achieve a safe and reliable power supply in the affected areas;

PROJECT FINANCING PLAN

8. The total estimated project cost of Php6,740,787.75 shall be funded fully out of the Yolanda Recovery and Rehabilitation Program (YRRP) subsidy of the national government;

RATE IMPACT OF THE PROPOSED PROJECT

9. Since the total project cost will be funded by government subsidy, the project shall not have any impact on the rates of its customers;

COMPLIANCE WITH DOCUMENTARY AND PRE-FILING REQUIREMENTS

10. In compliance with the documentary and pre-filing requirements for the instant application, it submitted the following documents:

Annex	Nature of Document
A	OMECO Board Resolution approving the filing of the instant application and authorizing its General Manager to cause its filing and to sign and execute all the necessary documents
B to B-1	Transmittal Letter to ERC dated January 2, 2014 with Board Resolution No. 225, Series of 2013
C	Amended and Supplemental Notice of Force Majeure Event (Typhoon Yolanda) dated January 30, 2014
D	Executive Summary of the Project
E to E-1	Proof of furnishing copies of the Application to the Sangguniang Bayan of San Jose and the Sangguniang Panlalawigan of Occidental Mindoro
F to F-2	Publication of the Application in a newspaper of general circulation within OMECO's franchise area or where it principally operates, with Affidavit of Publication

11. It prays for the confirmation and approval by the Commission, after due notice and hearing, of the repair, restoration, replacement and/or rehabilitation works undertaken on its distribution lines and facilities damaged by the ravages of Super Typhoon Yolanda which hit its franchise area on November 8, 2013.

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 **August 14, 2014 (Thursday) at two o'clock in the afternoon (2:00 P.M.) at Sikatuna Beach Hotel, San Roque 1, San Jose, Occidental Mindoro.**

OMEKO 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 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 of the Province of Occidental Mindoro and the Mayors of the Municipalities within OMEKO's franchise area for the appropriate posting thereof on their respective bulletin boards.

OMEKO 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, OMEKO 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.

OMEKO 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 OMECO 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, OMECO 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 14, 2014.

FOR AND BY AUTHORITY
OF THE COMMISSION:


ZENAIDA G. CRUZ-DUCUT
Chairperson


LBB/NJS/

Copy Furnished:

1. **Atty. Ditas Lerios-Amboy**
Counsel for OMECO
Units 1609-1610, Tycoon Center.
Pearl Drive, Ortigas Centre
Pasig City, Metro Manila
2. **Occidental Mindoro Electric Cooperative, Inc. (OMEKO)**
San Jose, Occidental Mindoro
3. **Office of the Solicitor General**
134 Amorsolo Street, Legaspi Village
Makati City, Metro Manila
4. **Commission on Audit**
Commonwealth Avenue
Quezon City, Metro Manila
5. **Senate Committee on Energy**
GSIS Bldg. Roxas Blvd., Pasay City
Metro Manila
6. **House Committee on Energy**
Batasan Hills, Quezon City, Metro Manila
7. **Office of the Municipal Mayor**
Magsaysay, Occidental Mindoro
8. **Office of the Municipal Mayor**
San Jose, Occidental Mindoro
9. **Office of the Municipal Mayor**
Rizal, Occidental Mindoro
10. **Office of the Municipal Mayor**
Calintaan, Occidental Mindoro
11. **Office of the Municipal Mayor**
Sablayan, Occidental Mindoro
12. **Office of the Municipal Mayor**
Sta. Cruz, Occidental Mindoro
13. **Office of the Municipal Mayor**
Mamburao, Occidental Mindoro

- 14. Office of the Municipal Mayor**
Abra de Ilog, Occidental Mindoro
- 15. Office of the Provincial Governor**
Mamburao, Occidental Mindoro
- 16. Philippine Chamber of Commerce and Industry (PCCI)**
3rd Floor, ECC Building
Sen. Gil Puyat Avenue, Makati City