

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City



**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE THREE
(3) YEAR CAPITAL
EXPENDITURE PROJECTS
FOR THE YEARS 2019 TO
2021, AND FOR AUTHORITY
TO SECURE LOAN, WITH
PRAYER FOR PROVISIONAL
AUTHORITY**

ERC CASE NO. 2019-102 RC

**ISABELA II ELECTRIC
COOPERATIVE, INC.,
*Applicant.***

Promulgated:
June 11, 2021

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NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 27 December 2019, Applicant Isabela II Electric Cooperative, Inc. (ISELCO II) filed an *Application* dated 02 September 2019, seeking the Commission's approval of its Capital Expenditure (CAPEX) Projects for years 2019 to 2021, and for authority to secure loan, with motion for provisional authority.

On 19 October 2020, ISELCO II electronically filed a *Motion for Reconsideration and/or Motion to Amend Application with Leave (with Attached Proposed Amended Application)* of even date.

The pertinent allegations in the said *Amended Application* are hereunder quoted, as follows:

1. That applicant is an electric cooperative duly organized and existing under and by virtue of the laws of the Philippines, with principal office at Barangay Alibagu, Ilagan, Isabela, where it may be served with summons and other legal processes, represented by its General Manager, DAVID SOLOMON SIQUIAN, duly authorized by its Board of Directors to file the instant Application, by virtue of a Board

Resolution No. 66 dated August 2,2019, a copy of which is attached to the Application as Annex A and made an integral part thereof.

2. That herein applicant is the exclusive franchise holder issued by the National Electrification Administration (NEA) to operate an electric light and power services in the following municipalities of the Province of Isabela: Ilagan, Cabagan, San Pablo, Sta Maria, Naguilian, Gamu, Roxas, Aurora, Mallig, Sto Tomas, Delfin Albano, Tumauini, Quezon, Quirino, San Manuel, Burgos, Benito Soliven, San Mariano, Maconacon, Palanan and Divilacan.

LEGAL BASIS FOR THE APPLICATION

3. This application is filed in compliance with ERC Resolution No. 26, Series of 2009 (A Resolution Amending the Rules for Approval of Regulated Entities' Capital Expenditure Projects) adopted pursuant to the mandate of Section 43 of Republic Act No. 9136 otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA) and its implementing Rules and Regulations, which categorically provides that all capital expenditure projects (CAPEX) shall be submitted to and for the approval of the Commission prior to its implementation, in relation to ERC Resolution No. 20, Series of 2011 which sets the timelines for the filing of the instant application;
4. The afore-cited amended rules was issued by the Commission to ensure that the projects are timely, appropriate, necessary and cost efficient; to ensure that the proposed capital projects are consistent with the Distribution Development Plan (DDP), the Philippine Grid Code (PGC), the Philippines Distribution Code (PDC), and other relevant government issuances; and to ensure that the procurement of equipment, materials and services are transparent, competitive and compliant with the applicable laws and regulations;

PROPOSED EXPENDITURE CAPITAL PROJECTS

5. **SUMMARY OF IDENTIFIED PROBLEMS**

The subsequent table shows the summary of the identified problems of ISELCO II as result of the performance assessment on the entire distribution facility of the electric cooperative. The identified deficiencies are likewise group according to the type of problem (i.e. safety, capacity, power quality, rural electrification, reliability, system loss, & service efficiency).

Assessed deficiency of ISELCO II's distribution system

No.	Problem Description	Problem Type
1	The Ilagan 15MVA subaration is already loaded beyond its 70% capacity and is forecasted to reach	Capacity

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	demand loadings greater than its max rated capacity by the year 2022.	
2	The Naguilian 5MVA subaration is already loaded beyond its rated maximum capacity.	Capacity
3	The Roxas 10 MVA sustation is already loaded beyond 70% of its rated maximum capacity and is forecasted to be loaded beyond 100% by the year 2021. Moreover, the San Manuel 10MVA substation which is adjacent to the Roxas 10MVA is forecasted to be loaded beyond its rated maximum capacity by the year 2020.	Capacity
4	The growing demand and increasing number of consumers of the cooperative needs to be served with new electrical facilities	Capacity
5	A considerable length of electrical distribution line facilities of the cooperative are generally old and has under size conductors	Safety / Capacity
6	The increasing demand in the franchise area of the cooperative needs to be address by the installation of new distribution transformers	Capacity
7	A considerable number of distribution transformers are severed or busted each year replacement of these units is necessary	Capacity
8	A considerable number of kWhr-meters are severed each year replacement is necessary	System Loss
9	The increasing number of consumers of the cooperative requires new kWhr-meters for this new consumers	Capacity
10	The growing demand and increasing number of consumers of the cooperative needs to be served with new secondary electrical facilities	Capacity
11	A considerable number of poles in the electrical system of the utility are already in the states that need to be replaced.	Safety
12	Generally majority of the vehicles used by the cooperative are relatively old, some are more than 10 years in service to the day to day activity of the cooperative.	Service Efficiency
13	The offices in Lulutan and San Antonio are relatively small to accommodate daily transaction of member-consumers to the cooperative	Service Efficiency
14	No back-up power supply to the branch and sub offices of the cooperative during outages	Service Efficiency
15	Essential tool in an accurate inventory of the property of the cooperative	Service Efficiency
16	PCB has been banned in the country and the DENR as head agency of the government ordered the decommissioning of all contaminated equipment and its disposal	Safety
17	Tools and equipment essential in safe performance of regular activities of the personnel's of the cooperative are old and severed	Safety

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18	Requirement to replace old and severed tools and equipment for the maintenance of the distribution system	Service Efficiency
19	The building used as consumer hall is already old and severed	Service Efficiency
20	The cooperative does not have a Distribution System Analysis Software (DSAS)	Service Efficiency
21	In relation to the cooperatives proposed purchase of Distribution System Analysis Software, computer hardware dedicated for the software is essential	Service Efficiency
22	The coop is currently using the software SynerGee, but it is not updated	Service Efficiency
23	The cooperative lacks a network communication system essential to its operation	Service Efficiency
24	The coop is currently maintaining its an ERC Certified Meter Shop, the purchase of a kwh-meter is intended primarily to replace the existing contraption	Service Efficiency
25	Absence of tools and equipment essential in the accurate assessment of the status of the electrical distribution system of the cooperative	Service Efficiency
26	In compliance to NEA's Memorandum No. 2015-023 which mandates all electric cooperative shall set up a Disaster Resiliency Program.	Reliability

6. GOAL SETTING AND PRIORITIZATION

Summarized hereunder is the degree of importance of the assessed problem on the distribution system of ISELCO II in preparing the respective Distribution Development Plan. The order of prioritization is rank in accordance with the criteria specified under the CAPEX planning manual with primary consideration on the financial condition of ISELCO II.

Prioritization level of the identified problem

No.	Problem Type	Project Description/Rational	Problem Type	Rank
1	Capacity	Intend to address the capacity deficiency of Ilagan 15MVA substation and relieve its demand loadings below 70% of its rated maximum capacity	Capacity	1st
2	Capacity	Intend to address the capacity deficiency of Naguilian 5MVA substation and relieve its demand loadings below 70% of its rated maximum capacity	Capacity	2nd
3	Capacity	Intends to address the capacity deficiency of the Roxas 10MVA and San Manuel 10MVA substations with respect to their forecasted demands and relieve	Capacity	3rd

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		both substations below 70% of their rated capacity.		
4	Capacity	The project will include extension of primary electrical distribution facilities intended to address the growing power demand of the cooperative	Capacity	4th
5	Safety / Capacity	The project intends to rehabilitate electrical distribution lines of the cooperative that are generally old and are undersized with respect to their conductors to address safety and capacity.	Safety / Capacity	5th
6	Capacity	Installation of distribution transformers intended for load growth	Capacity	6th
7	Capacity	Intended to replace severed and busted distribution transformers	Capacity	7th
8	System Loss	Intended to replace severed consumer kWhr-meters	System Loss	8th
9	Capacity	kWhr-meters intended for new consumers	Capacity	9th
10	Capacity	The intention of the project is to construct secondary electrical distribution facilities is for the increasing number of member-consumers of the cooperative	Capacity	10th
11	Safety	Replacements of these poles are necessary to address the danger they pose to the public.	Safety	11th
12	Service Efficiency	The project includes the procurement of service utility vehicles	Service Efficiency	12th
13	Service Efficiency	Construction of office buildings in Lulutan and San Antonio to serve members consumers in those areas and the construction of a separate office for the Corporate Planning division.	Service Efficiency	13th
14	Service Efficiency	The project includes the acquisition of a back-up generator set of 5 KVA capacity.	Service Efficiency	14th
15	Service Efficiency	The project includes the purchase of a labeling material (tools and sticker cartridges)	Service Efficiency	15th
16	Safety	The project includes the construction of a PCB Equipment Storage Facility in preparation for its proper disposal	Safety	16th
17	Safety	The project includes the Procurement of Personal	Safety	17th

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		Protective Equipment and Safety Tools		
18	Service Efficiency	The project includes the Procurement of Tools and Equipment for Line Maintenance	Service Efficiency	18th
19	Service Efficiency	The project intends to demolish the existing building that is being used as hall for it is already old and severed that posse danger to the member-consumers and construct a new building for the same purpose.	Service Efficiency	19th
20	Service Efficiency	The project includes the Purchase of Distribution System Analysis Software (DSAS)	Service Efficiency	20th
21	Service Efficiency	The project includes the Purchase of Dedicated Desktop Computer for the software Distribution System Analysis Software (DSAS)	Service Efficiency	21st
22	Service Efficiency	The project is intended to maintain and upgrade SynerGee software the cooperative is using	Service Efficiency	22nd
23	Service Efficiency	The project includes the purchase of cellular or mobile phones and hand held portable radio, base radio and repeater system	Service Efficiency	23rd
24	Service Efficiency	The project includes the purchase of a Kilowatt Hour Meter Test Bench	Service Efficiency	24th
25	Service Efficiency	The project includes the Procurement of Testing Measuring Equipment for Substations, power quality and metering	Service Efficiency	25th
26	Reliability	Procurement of poles, conductors, line hardware assemblies, etc. as buffer stock to be used in the aftermath of a natural disaster	Reliability	26th

7. SUMMARY OF THE PROPOSED CAPITAL PROJECTS

The following table shows the list of projects being proposed by ISELCO II intended to address the identified deficiencies of the distribution system, comprising both of network and non-network projects, for the three-year (2019-2021) planning period. These projects are necessary and essential in ensuring a safe, reliable, secure, and efficient operation of the electric distribution system for the benefit of the consumers.

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A brief description and justification of the individual proposed projects of ISELCO II are likewise hereunder summarized. Detailed discussion of the respective CAPEX projects are thoroughly discussed in Chapter 10 of this document.

**ISELCO II's Proposed CAPEX Project for the Years
2019-2021**

Proposed Projects			Project Cost (PhP)			
No.	Title	Type	2019	2020	2021	Total
Network Projects						
1	Installation of a new 10 MVA substation at Sta. Filomina	Capacity	186,578,425.00	-	-	186,578,425.00
2	Installation of a 15 MVA substation at Marana	Capacity	-	136,440,659.19	-	136,440,659.19
3	Installation of a 20 MVA power transformer at Roxas Substation	Capacity	-	83,004,369.69	-	83,004,369.69
4	Primary distribution line expansion	Capacity	10,263,220.10	10,663,485.68	11,079,361.63	32,006,067.41
5	Rehabilitation of electrical lines	Safety / Capacity	47,180,119.33	50,931,929.60	54,982,087.58	153,094,136.51
6	Distribution transformer requirement	Capacity	15,991,641.45	18,826,021.44	21,182,767.58	56,000,430.47
7	Replacement of defective distribution transformer	Capacity	15,602,531.99	16,295,341.33	16,930,859.64	48,828,732.96
8	Kilowatt-hour meter replacement	System Loss	5,343,057.50	5,551,436.74	5,767,942.78	16,662,437.02
9	New connection requirement	Capacity	13,626,480.64	14,182,703.72	14,132,064.35	41,941,248.71
10	Secondary distribution line expansion	Capacity	4,315,492.05	4,483,796.24	4,658,664.29	13,457,952.58
11	Pole replacement	Safety	6,617,260.73	8,676,541.57	9,401,918.70	24,695,721.00
Non-network Projects						
13	Utility vehicles requirement	Service Efficiency	39,100,627.36	61,525,741.00	4,595,413.16	105,221,781.52
14	Construction of sub-office building	Service Efficiency	9,499,784.80	-	-	9,499,784.80
15	Acquisition and installation of back-up power generator	Service Efficiency	-	540,300.26	962,351.95	1,502,652.21
16	Asset labelling	Service Efficiency	1,770,530.45	-	-	1,770,530.45
17	PCB storage facility	Safety	7,490,157.41	-	-	7,490,157.41
19	Personal protective equipment and safety tools requirement	Safety	5,844,219.15	805,106.76	5,864,794.86	12,514,120.77
20	Procurement of tools and equipment	Service Efficiency	3,420,196.82	2,512,313.09	3,098,896.66	9,031,406.57

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21	Construction of consumer hall	Service Efficiency	-	13,299,698.72	-	13,299,698.72
22	Purchase of distribution system analysis software	Service Efficiency	1,028,610.00	-	-	1,028,610.00
23	Purchase of dedicated desktop computer for DSAS	Service Efficiency	628,595.00	-	-	628,595.00
24	Maintenance of SynerGee	Service Efficiency	1,772,637.90	-	-	1,772,637.90
25	Communication with accessories	Service Efficiency	2,634,384.50	837,168.54	1,147,419.63	4,618,972.67
26	Purchase of kilowatt-hour meter test bench	Service Efficiency	-	15,544,273.44	-	15,544,273.44
27	Purchase of testing equipment	Service Efficiency	12,057,595.00	2,339,322.01	11,375,493.56	25,772,410.57
28	Acquisition of buffer stock	Reliability	48,051,966.92	51,974,841.93	55,979,236.14	156,006,044.99

Grand Total	443,274,844.10	509,615,327.76	228,227,846.56	1,158,411,857.56
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**Brief description / justification of the proposed
CAPEX projects**

Proposed Projects			Project Description/Rationale
No.	Title	Type	
1	Installation of a 15 MVA substation at Marana	Capacity	Intend to address the capacity deficiency of Ilagan 15MVA substation and relieve its demand loadings below 70% of its rated maximum capacity
2	Installation of a new 10 MVA substation at Sta. Filomina	Capacity	Intend to address the capacity deficiency of Naguilian 5MVA substation and relieve its demand loadings below 70% of its rated maximum capacity
3	Installation of a 20 MVA power transformer at Roxas Substation	Capacity	Intends to address the capacity deficiency of the Roxas 10MVA and San Manuel 10MVA substations with respect to their forecasted demands and relieve both substations below 70% of their rated capacity.
4	Primary distribution line expansion	Capacity	The project will include extension of primary electrical distribution facilities intended to address the growing power demand of the cooperative
5	Rehabilitation/Re-routing of electrical lines (this project will be replaced with 3 projects)	Safety / Capacity	The project intends to rehabilitate electrical distribution lines of the cooperative that are generally old and are undersized with respect to their conductors to address safety and capacity.
6	Distribution transformer requirement	Capacity	Installation of distribution transformers intended for load growth
7	Replacement of defective distribution transformer	Capacity	Intended to replace severed and busted distribution transformers
8	Kilowatt-hour meter replacement	System Loss	Intended to replace severed consumer kWhr-meters
9	New connection requirement	Capacity	kWhr-meters intended for new consumers

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10	Secondary distribution line expansion	Capacity	The intention of the project is to construct secondary electrical distribution facilities is for the increasing number of member-consumers of the cooperative
11	Pole replacement	Safety	Replacements of these poles are necessary to address the danger they pose to the public.
12	Utility vehicles requirement	Service Efficiency	The project includes the procurement of service utility vehicles
13	Construction of sub-office building	Service Efficiency	Construction of office buildings in Lulután and San Antonio to serve members consumers in those areas and the construction of a separate office for the Corporate Planning division.
14	Acquisition and installation of back-up power generator	Service Efficiency	The project includes the acquisition of a back-up generator set of 5 KVA capacity.
15	Asset labelling	Service Efficiency	The project includes the purchase of a labeling material (tools and sticker cartridges)
16	PCB storage facility	Safety	The project includes the construction of a PCB Equipment Storage Facility in preparation for its proper disposal
17	Personal protective equipment and safety tools requirement	Safety	The project includes the Procurement of Personal Protective Equipment and Safety Tools
18	Procurement of tools and equipment	Service Efficiency	The project includes the Procurement of Tools and Equipment for Line Maintenance
19	Construction of consumer hall	Service Efficiency	The project intends to demolish the existing building that is being used as hall for it is already old and severed that posse danger to the member-consumers and construct a new building for the same purpose.
20	Purchase of distribution system analysis software	Service Efficiency	The project includes the Purchase of Distribution System Analysis Software (DSAS)
21	Purchase of dedicated desktop computer for DSAS	Service Efficiency	The project includes the Purchase of Dedicated Desktop Computer for the software Distribution System Analysis Software (DSAS)
22	Maintenance of SynerGee	Service Efficiency	The project is intended to maintain and upgrade SynerGee software the cooperative is using
23	Communication with accessories	Service Efficiency	The project includes the purchase of cellular or mobile phones and hand held portable radio, base radio and repeater system
24	Purchase of kilowatt-hour meter test bench	Service Efficiency	The project includes the purchase of a Kilowatt Hour Meter Test Bench
25	Purchase of testing equipment	Service Efficiency	The project includes the Procurement of Testing Measuring Equipment for Substations, power quality and metering
26	Acquisition of buffer stock	Reliability	Procurement of poles, conductors, line hardware assemblies, etc. as buffer stock to be used in the aftermath of a natural disaster

PROJECT FINANCING & INDICATIVE RATE IMPACT

8. FINANCING PLAN

The financing of the multiyear CAPEX plan will be sourced through the Reinvestment Fund for Sustainable CAPEX (RFSC) of the cooperative and availment of loan from NEA at 8% interest rate per annum for a period of fifteen (15) years.

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In view of this plan of the cooperative to avail loan for the financing of the proposed project, it is likewise prayed that the ERC will grant the cooperative the Authority to Secure Loan to minimize the possible effect on the existing RFSC rate upon project implementation and to give the cooperative flexibility in managing its finances.

Nevertheless, ISELCO II will still thrive to look for financial institution that can provide the least financing plan for the benefit of the consumers.

9. INDICATIVE RATE IMPACT OF THE PROJECT

Below are the possible effects on the existing RFSC rate (PhPo.3696/kWh) of ISELCO II upon completion of the project with the consideration if no loan will be availed and the proposed financing plan will be pursued.

Indicative rate impact of the project without availing any loan

Particulars	2019	2020	2021	TOTAL
Forecasted energy sales, kWh	227,677,619	248,422,292	271,434,442	1,369,926,776.37
Cash balance beginning, PhP, excess/(shortfall)	56,765,511.82	(323,318,840.45)	(767,077,164.25)	56,765,511.82
CASH INFLOWS				
current year collection @PhPo.3696/kWh	84,149,647.85	91,816,878.95	100,322,169.93	506,324,936.54
50% of income on leased properties	30,407.83	30,407.83	30,407.83	152,039.14
loan proceeds from financial institutions, PhP	-	-	-	-
government subsidy (if any), PhP	-	-	-	-
Total Cash Inflows, PhP	84,180,055.68	91,847,286.78	100,352,577.76	506,476,975.68
Available cash for disbursement	140,945,567.50	(231,471,553.67)	(666,724,586.49)	563,242,487.50
CASH OUTFLOWS				
CAPEX requirement	429,317,749.31	507,934,835.75	221,159,272.50	1,158,411,857.55
old debt (previous CAPEX), PhP	34,946,658.64	27,670,774.83	25,433,580.68	121,344,531.15
new amortization (new CAPEX), PhP	-	-	-	-
ERC Permit Fee, PhP	-	-	9,178,591.08	9,178,591.08
Total Cash Outflows, PhP	464,264,407.95	535,605,610.58	255,771,444.26	1,288,934,979.79
Cash balance ending, PhP, excess/(shortfall)	(323,318,840.45)	(767,077,164.25)	(922,496,030.75)	(725,692,492.28)
Excess/(shortfall) on RFSC, PhP/kWh	(1.4201)	(3.0878)	(3.3986)	(0.5297)

Indicative rate impact of the project with availment of loan at 8% for 10 years

Particulars	2019	2020	2021	TOTAL
Forecasted energy sales, kWh	227,677,619	248,422,292	271,434,442	1,369,926,776.37
Cash balance beginning, PhP, excess/(shortfall)	56,765,511.82	105,998,908.86	107,399,295.33	56,765,511.82
CASH INFLOWS				
current year collection @PhPo.3696/kWh	84,149,647.85	91,816,878.95	100,322,169.93	506,324,936.54
50% of income on leased properties	30,407.83	30,407.83	30,407.83	152,039.14

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loan proceeds from financial institutions, PhP	429,317,749.31	507,934,835.75	221,159,272.50	1,158,411,857.55
government subsidy (if any), PhP	-	-	-	-
Total Cash Inflows, PhP	513,497,804.99	599,782,122.52	321,511,850.26	1,664,888,833.24
Available cash for disbursement	570,263,316.81	705,781,031.38	428,911,145.59	1,721,654,345.06
CASH OUTFLOWS				
CAPEX requirement	429,317,749.31	507,934,835.75	221,159,272.50	1,158,411,857.55
old debt (previous CAPEX), PhP	34,946,658.64	27,670,774.83	25,433,580.68	121,344,531.15
new amortization (new CAPEX), PhP	-	62,776,125.47	137,047,876.49	538,596,895.64
ERC Permit Fee, PhP	-	-	9,178,591.08	9,178,591.08
Total Cash Outflows, PhP	464,264,407.95	598,381,736.05	392,819,320.75	1,827,531,875.43
Cash balance ending, PhP, excess/(shortfall)	105,998,908.86	107,399,295.33	36,091,824.84	(105,877,530.37)
Excess/(shortfall) on RFSC, PhP/kWh	0.4656	0.4323	0.1330	(0.0773)

**Indicative rate impact of the project with availment
of loan at 8% for 15 years**

Particulars	2019	2020	2021	TOTAL
Forecasted energy sales, kWh	227,677,619	248,422,292	271,434,442	1,369,926,776.37
Cash balance beginning, PhP, excess/(shortfall)	56,765,511.82	105,998,908.86	120,773,027.45	56,765,511.82
CASH INFLOWS				
current year collection @PhPo.3696/kWh	84,149,647.85	91,816,878.95	100,322,169.93	506,324,936.54
50% of income on leased properties	30,407.83	30,407.83	30,407.83	152,039.14
loan proceeds from financial institutions, PhP	429,317,749.31	507,934,835.75	221,159,272.50	1,158,411,857.55
government subsidy (if any), PhP	-	-	-	-
Total Cash Inflows, PhP	513,497,804.99	599,782,122.52	321,511,850.26	1,664,888,833.24
Available cash for disbursement	570,263,316.81	705,781,031.38	442,284,877.70	1,721,654,345.06
CASH OUTFLOWS				
CAPEX requirement	429,317,749.31	507,934,835.75	221,159,272.50	1,158,411,857.55
old debt (previous CAPEX), PhP	34,946,658.64	27,670,774.83	25,433,580.68	121,344,531.15
new amortization (new CAPEX), PhP	-	49,402,393.36	107,851,401.35	423,855,016.55
ERC Permit Fee, PhP	-	-	9,178,591.08	9,178,591.08
Total Cash Outflows, PhP	464,264,407.95	585,008,003.94	363,622,845.61	1,712,789,996.34
Cash balance ending, PhP, excess/(shortfall)	105,998,908.86	120,773,027.45	78,662,032.09	8,864,348.72
Excess/(shortfall) on RFSC, PhP/kWh	0.4656	0.4862	0.2898	0.0065

10. **DETAILED DISCUSSION OF THE PROPOSED CAPITAL PROJECTS** – are attached hereto and marked as ANNEX “B”.

11. Evidences¹ that will substantiate the allegations and data are likewise attached hereto and respectively marked as ANNEXES.

**ALLEGATIONS IN SUPPORT OF THE PRAYER FOR
PROVISIONAL AUTHORITY**

12. Public interest and necessity requires the immediate implementation, without delay, of subject CAPEX Projects in order to ensure continuous, safe and reliable electric service, and compliance with safety and performance standards of its distribution system. Moreover, the immediate implementation of these projects will avert possible emergency situations and at the same time, address the forecasted growth in the electricity demand of its member-consumers;
13. Thus, pending final approval, there is an urgent need for a provisional authority for ISELCO II to immediately implement its proposed CY's 2019-2021 CAPEX Projects;
14. The implementation of the foregoing CAPEX Projects for CY's 2019-2021 will ultimately redound to the benefit of ISELCO II member-consumers in terms of continuous, reliable and efficient power supply.

PRAYER

WHEREFORE, premises considered, it is most respectfully prayed THAT:

1. Pending trial on the merits, to immediately issue Provisional Authority authorizing the Isabela II Electric Cooperative, Inc.'s (ISELCO II) to implement its Multi CAPEX Projects for CY's 2019-2021;
2. The authority to obtain a loan from National Electrification Authority after due hearing, render judgment making the approval of the Application permanent;
3. Grant ISELCO II the authority to obtain a loan from NEA or bank to finance its Multi CAPEX Projects; and
4. ISELCO II be allowed to recover from its members-consumers the cost of the Multi CAPEX projects, updated up to the time of the approval.

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

In an *Order* dated 04 November 2020, the Commission granted the *Motion to Amend Application with Leave (with attached Proposed Amended Application)* and directed ISELCO II to comply with Rule 6 and Section 1, Rule 7 of the Commission's Rules of Practice and Procedure (RPP).

On 09 December 2020, the Commission issued an *Order* and a *Notice of Virtual Hearing* both dated 03 December 2020, setting the *Amended Application* for the determination of compliance with the jurisdictional requirements and expository presentation on 08 January 2021, pre-trial conference and presentation of evidence on 15 January 2021.

However, an *Urgent Motion to Reset Notice of Virtual Hearing* dated 05 January 2021 was filed via e-mail by ISELCO II on 06 January 2021, praying for the cancellation of the 08 and 15 January 2021 virtual hearings to give it ample time to comply with the required posting and publication under Rule 6 of the RPP.

On 07 January 2021, the Commission issued an *Order* and a *Notice of Virtual Hearing* both dated 06 January 2021, setting the *Amended Application* for the determination of compliance with the jurisdictional requirements and expository presentation on 09 March 2021, pre-trial conference and presentation of evidence on 16 March 2021.

During the 09 March 2021 hearing, only Applicant ISELCO II appeared. Before proceeding with the determination of compliance with the jurisdictional requirements, the Commission first inquired as to ISELCO II's pre-filing compliance pursuant to the *Order* dated 04 November 2020.

ISELCO II explained that it has electronically filed a *Manifestation with Urgent Motion to Reset Virtual Hearing* dated 09 March 2021 at 7:57 o'clock in the morning prior to calling the case for hearing.

The Commission received ISELCO II's *Manifestation with Urgent Motion to Reset Virtual Hearing* on 09 March 2021. In the said *Motion*, ISELCO II prayed for the cancellation of the scheduled hearings on 09 and 16 March 2021 and to reset the same to another date so as to give it ample time to comply with the directives in the Commission's *Order* dated 04 November 2020.

On 24 March 2021, the Commission issued an *Order* dated 10 March 2021, granting the aforementioned *Manifestation with Urgent Motion to Reset Virtual Hearing*. In the same *Order*, the Commission also reiterated the directives in its *Order* dated 04 November 2020 for ISELCO II to comply with Sections 2 and 3, Rule 6 of the RPP.

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On 19 May 2021, ISELCO II filed via e-mail a *Compliance* dated 17 May 2021, pursuant to the aforementioned Orders dated 04 November 2020 and 10 March 2021.

IN VIEW OF THE FOREGOING, the Commission has set anew the instant *Amended Application* for determination of compliance with the jurisdictional requirements, expository presentation, pre-trial conference and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020,² dated 24 September 2020:

Date	Platform	Activity
03 August 2021 (Tuesday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams Application	Determination of compliance with jurisdictional requirements and Expository Presentation
10 August 2021 (Tuesday) at two o'clock in the afternoon (2:00 P.M.)		Pre-trial Conference and Presentation of Evidence

RELATIVE THERETO, the Commission hereby directs ISELCO II to host the virtual hearings at **ISELCO II's Main Office in Barangay Alibagu, Ilagan, Isabela**, as the designated venue for the conduct thereof, and ensure that the same is open to the public and the community quarantine guidelines are observed at all times. Moreover, ISELCO II shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via e-mail at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph. The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

² A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

Moreover, all persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, a verified Petition to Intervene at least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name, mailing address, and e-mail address;
- 2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and
- 3) A statement of the relief desired.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may file through e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

- 1) The name, mailing address, and e-mail address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

Any of the persons mentioned in the preceding paragraphs may access the copy of the *Amended Application* on the Commission's official website at www.erc.gov.ph.

Finally, all interested persons may be allowed to join the scheduled virtual hearings by providing the Commission, thru legal.virtualhearings@erc.ph, with their respective e-mail addresses and indicating therein the case number of the instant *Amended Application*. The Commission will send the access link/s to the

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aforementioned hearing platform within five (5) working days prior to the scheduled hearings.

WITNESS, the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL**, and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 1st day of June 2021 in Pasig City.



AGNES VST DEVANADERA
Chairperson and CEO


LS: RSPV/ARG/MCCG

ERC

Office of the Chairperson



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