

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



**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF THE
AUTHORITY TO LEASE RAB
PROPERTIES PURSUANT
TO ERC RESOLUTION NO.
18, SERIES OF 2010**

ERC CASE NO. 2010-072 MC

**AURORA ELECTRIC
COOPERATIVE, INC.
(AURELCO),**

Applicant.

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Promulgated:

June 21, 2021

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 30 November 2010, Aurora Electric Cooperative, Inc. (AURELCO) filed an *Application* dated 26 November 2010 (Application), seeking the Commission's approval of its authority to lease its Regulatory Asset Base (RAB) properties pursuant to the Commission-issued Resolution No. 18, Series of 2010.

The pertinent allegations of the *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 Republic of the Philippines, with the principal office at Brgy. Reserva, Baler, Aurora, where it may be served with summons and other legal processes, represented in this instance by its General Manager, Agripino A. Teh San of legal age, Filipino, married and with office address also at Poblacion, Valencia City;
2. Herein applicant is the exclusive franchise holder issued by the National Electrification Administration (NEA) to operate an electric light and power services in the (10) municipalities, namely the municipalities of Baler, Casiguran, Dinalongan,

Dipaculao, Ma. Aurora, San Luis, Dilasag, Dingalan, Dinapigue (Isabela), General Nakar (Quezon) all in the Province of Aurora;

3. That pursuant to Section 26 of the EPIRA and Rule 7, Section 5(e) of its IRR provide that a DU may directly or indirectly, engage in any related business undertaking which maximizes the utilization of its assets; Provided that a portion of the net income derived from such undertaking which utilizes assets that are part of the rate base shall be used to reduce its distribution wheeling charges as determined by the ERC, and that quality of service shall not deteriorate pursuant to the standards in the Distribution Code and Rule 10 of the IRR of the EPIRA on Structural and Functional Unbundling of Electric Power Industry Participants;
4. That pursuant to the said mandate AURELCO hereby applies for the approval of the following Leased Properties, to wit:

A. Regulatory Asset Base (RAB) Properties – Pole space rental/pole attachment:

- a. Contract for Joint Use of Poles between AURELCO and DIPACULAO CABLE-TV, INC., located at Dipaculao, Aurora;
- b. Contract for Joint Use of Poles between AURELCO and BRIFILONIMARK COMMUNICATION CABLE NETWORKD, INC. located at Casiguran, Aurora;
- c. Contract for Joint Use of Poles between AURELCO and BLUE SEAGULL BOYS (BSB) CORPORATION, located at San Luis, Aurora; This contract refers to the previous 3-year Joint Pole Agreement which expires December 2010;
- d. Renewed Contract for Joint Use of Poles between AURELCO and BLUE SEAGULL BOYS (BSB) CORPORATION, located at San Luis, Aurora;
- e. Contract for Joint Use of Poles between AURELCO and INTERLINK CABLE TELEVISION, INC., located at Baler, San Luis, Maria Aurora and Dipaculao, all in the province of Aurora;

B. Non-Regulatory Asset Base Property – NONE for AURELCO.

5. That in connection with this application, herein Applicant hereby undertakes to observe the following conditions embodied in the Guidelines:

- a. Applicant herein shall use a portion of the net annual income derived from such undertaking which utilizes assets that re part of the rate base to reduce its Distribution Wheeling Charges; Provided that such portion shall not exceed fifty percent (50%) of the net income derived from such undertaking;
 - b. Applicant shall maintain a separate account for each business undertaking to ensure that the distribution business shall neither subsidize in any way such business undertaking nor encumber its distribution assets in any way to support such business as provided for in the Business Separation Guidelines (BSG);
6. That in support of this application herein Applicant hereby submits the following documents:
- a. Secretary's Certificate approving the filing of the said application;
 - b. Undertaking to use at least 50% of the income derived to reduce its Distribution Wheeling Charges;
 - c. Inventory of Poles;
 - d. Collection from Non-Operating Rental Income;
 - e. Board Policy No. 6-45 – showing the duly approved Board Policy on Pole Rentals;
 - f. Board Resolution No. 89-2010 – Guidelines for Pole Rental Rates on Joint Use of Poles;
7. Applicant reserves the right to submit other documents as may be required later by this Hon. Commission to further support this application;

PRAYER

WHEREFORE, premises considered, it is respectfully prayed of this Honorable Commission that pending hearing, the herein submitted application for approval of the Contracts for Joint Use of Poles executed between AURELCO and other entities for the use of its Regulated Asset Base Properties.

Other relief/s, just and equitable in the premises are likewise prayed for.

On 30 June 2011, the Commission issued an *Order* dated 21 June 2011, wherein it ruled that the *Application* was compliant with the Commission-issued Resolution No. 18, Series of 2010 and Resolution No. 25, Series of 2010.

On 03 November 2020, the Commission issued another *Order* dated 06 October 2020 wherein it directed the Applicant to submit a

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status update of the instant *Application*, within ten (10) days upon receipt of the said *Order*.

Consequently, on 16 November 2020, AURELCO filed an electronic copy of its *Compliance* dated 05 November 2020.

The Commission hereby sets the same 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 2020¹ dated 24 September 2020:

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

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via electronic mail (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.

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

¹ Entitled: *A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.*

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 likewise 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 *Application* on the Commission's official website at www.erc.gov.ph.

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Finally, all interested persons may be allowed to join the scheduled initial virtual hearing by providing the Commission, thru legal.virtualhearings@erc.ph, with their respective e-mail addresses and indicating therein the case number of the instant *Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

WITNESS, the Honorable Commissioners **CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 3rd day of June 2021 in Pasig City.


AGNES VST DEVANADERA
Chairperson and CEO



LS: BJV/MCCG

