

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



**IN THE MATTER OF THE  
APPLICATION FOR  
APPROVAL OF REGULATED  
ENTITIES' EMERGENCY  
CAPITAL EXPENDITURE  
PROJECT**

**ERC CASE NO. 2021-035 RC**

**NUEVA ECIJA II ELECTRIC  
COOPERATIVE, INC. – AREA  
2 (NEECO II – AREA 2),**

***Applicant.***

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**Promulgated:**

June 21, 2021

**NOTICE OF VIRTUAL HEARING**

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 20 May 2021, Nueva Ecija II Electric Cooperative, Inc. – Area 2 (NEECO II – AREA 2) filed an *Application* dated 19 August 2020 (Application), seeking the Commission's confirmation and approval of its Emergency Capital Expenditure (CAPEX) for the new 20 MVA Power Transformer as replacement of the damaged 10 MVA power transformer.

The pertinent allegations of the *Application* are hereunder quoted as follows:

1. Applicant is an electric cooperative duly organized and existing under and by virtue of the laws of the Philippines, with the principal office at Maharlika Highway, Brgy. Diversion, San Leonardo, Nueva Ecija, where it may be served with summons and other legal processes, represented in this instance by its General Manager, RAMON M. DE VERA, of legal age, Filipino, and with office address also at NEECO II – AREA 2 main office;
2. NEECO II – AREA 2 is the exclusive franchise holder issued by the National Electrification Administration (NEA) to operate an electric light and power services in the following city and municipalities in the province of Nueva Ecija, namely: Sta. Rosa, San Leonardo, Peñaranda, Gen. Tinio, Bongabon, Laur,

Gabaldon, Rizal, Llanera, Gen. Natividad and the City of Palayan;

3. The 10 MVA Power Transformer at San Leonardo Substation, Brgy. Diversion, San Leonardo, Nueva Ecija was damaged due to unexpected explosion occurred last May 9, 2020 which causes the power transformer breakdown;
4. The said power transformer breakdown resulted to two (2) days straight brownout and four (4) days rotational brownout in the area affecting 12,973 power consumers;
5. The herein applicant, in its desire to continuously provide electric services to the Municipality of San Leonardo, some barangays in the said municipality were temporarily connected to 10 MVA Sta. Rosa Substation and 10 MVA Penaranda Substation;
6. To immediately restore the quality, reliable, safe power supply and solve the exceeded capacity limit requirement of 70% of the transformer's rated capacity, NEECO II – AREA 2 replaced the damaged 10 MVA to 20 MVA Power Transformer due to the following reasons:
  - a. To restore the electric service and meet the future load requirements in the area;
  - b. To enhance the power quality, reliability, safe and efficient delivery of power service to the areas served by the San Leonardo Substation; and
  - c. To have a continuous electric distribution service and a substation that will provide reserve capacity margin for outage contingent (N-1) scenario in the event of substation failures and/or preventive maintenance at the adjacent substations in the NEECO II – AREA 2 coverage areas;
7. The existing damaged 10 MVA power transformer of San Leonardo Substation actual demand this year 2020 indicates that the same is already exceeded the ERC capacity requirement of 70% loading. Actual loading capacity this year was 70.290%. Upon implementation of the new project, the substation loading percentage will be at an ideal level of 35.14% as compare to 70.290%;
8. The new 20MVA Power Transformer can accommodate the energy demand requirements of the adjacent substations in instances of power transformer shutdown due to maintenance activities (N-1 contingency) and power interruptions. Hence, loss of revenue will be avoided;
9. The cost of this emergency capital expenditure project was Twenty Three Million Nine Hundred Ninety One Thousand Six Hundred Pesos and Seventy Nine Centavos (P23,991,600.79), which was financed through Reinvestment Fund for Sustainable CAPEX (RFSC) funds, hence, applicant did not avail of any loan for this project;

10. For purposes of and in connection with this application, NEECO II – AREA 2 hereby attached hereto the following documents, duly marked collectively as Annex “B”, in compliance with the requirements pertinent thereto, to wit:
  - a) Project Description;
  - b) Justifications or Benefits to be delivered;
  - c) Estimated Project Costs;
  - d) Project Financing Plan; and
  - e) Project Schedule;
11. That the above project is consistent with the Distribution Development Plan (DDP), the Philippine Grid Code (PGC), the Philippine Distribution Code (DDP), and other relevant government issuances; and in accordance with ERC Resolution No. 26, Series of 2009, “Resolution Amending the Rules for Approval of Regulated Entities’ Capital Expenditure Projects”;
12. That in compliance with the pre-filing requirements, NEECO II – AREA 2 is submitting the following:
  - a) Certification from the Sangguniang Bayan of San Leonardo, Nueva Ecija that a copy of the application, with all its annexes and accompanying documents, attesting to the fact that applicant has furnished the said legislative body of the aforesaid application;
  - b) Certification from the Sangguniang Panlalawigan of Nueva Ecija that it likewise has furnished the said pertinent documents; and
  - c) Affidavit of Publication and Newspaper issue containing the published Application in its entirety in a newspaper of general circulation in the Province of Nueva Ecija; and
13. That the approval of this Emergency Capital Expenditure Project is needed to maintain efficient, reliable, and safety delivery of power to NEECO II – AREA 2’s existing and future consumers, and will redound to the benefits of the consuming public within its franchise area.

**PRAYER**

WHEREFORE, premises considered, applicant Nueva Ecija II Electric Cooperative, Inc. – Area 2 (NEECO II – AREA 2) respectfully prays of this Honorable Commission that, after due notice and hearing and consideration, this application be approved.

Other reliefs, just and equitable, is likewise prayed for.

**ERC CASE NO. 2021-035 RC**  
**NOTICE OF VIRTUAL HEARING/ 09 June 2021**  
**Page 4 of 6**

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The Commission has set the instant *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<sup>1</sup> dated 24 September 2020:

<b>Date and Time</b>	<b>Platform</b>	<b>Activity</b>
<b>18 August 2021 (Wednesday)</b> at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams	Determination of compliance with jurisdictional requirements and Expository presentation
<b>25 August 2021 (Wednesday)</b> 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](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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<sup>2</sup>, indicating therein the docket number and title of the case and stating the following:

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

<sup>2</sup> Resolution No. 01, Series of 2021, Entitled "A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission".

- 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](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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 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* at the Commission's official website at [www.erc.gov.ph](http://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](mailto: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 **ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 9<sup>th</sup> day of June 2021 in Pasig City.

  
**AGNES VST DEVANADERA**  
*Chairperson and CEO*



  
LS: MBVM/MCCG