

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



IN THE MATTER OF THE
APPLICATION FOR
CONFIRMATION/ APPROVAL
OF FORCE MAJEURE EVENT
CAPITAL EXPENDITURE
PROJECTS RE: REROUTING,
REPAIR, RESTORATION AND
REPLACEMENT OF
DISTRIBUTION LINES AND
FACILITIES DAMAGED BY
THE 7.2 MAGNITUDE
EARTHQUAKE AND
AUTHORITY TO SECURE
LOAN FROM THE NATIONAL
ELECTRIFICATION
ADMINISTRATION (NEA)

ERC CASE NO. 2014-023 RC

BOHOL I ELECTRIC
COOPERATIVE, INC.
(BOHECO I),

Applicant.

X ----- X

BOOKED
Date: NOV 10 2014
By: *[Signature]*

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on March 18, 2014, Bohol I Electric Cooperative, Inc. (BOHECO I) filed an application for confirmation/approval of force majeure event capital expenditure projects re: rerouting, repair, restoration and replacement of distribution lines and facilities damaged by the 7.2 magnitude earthquake and authority to secure loan from the National Electrification Administration (NEA).

In the said application, BOHECO I 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 office at Brgy. Cabulijan, Tubigon, Bohol, represented herein by its General Manager, Engr. Dino Nicolas T. Roxas, duly authorized by virtue of Resolution No. 06, Series of 2014 dated January 11, 2014, of the Board of Directors, copy of which is attached to the instant application and marked as Annex "A" and made an integral part thereof. The filing of the instant application is likewise authorized under the said Board Resolution;
2. It is the holder of an exclusive franchise issued by the National Electrification Commission (NEC), to operate an electric light and power distribution service in the municipalities of Alburquerque, Antequera, Baclayon, Balilihan, Batuan, Bilar, Calape, Carmen, Catigbian, Clarin, Corella, Cortes, Dausi, Dimiao, Inabanga, Lila, Loay, Loboc, Loon, Maribojoc, Panglao, Sagbayan, San Isidro, Sevilla, Sikatuna and Tubigon Province of Bohol;

THE APPLICATION AND ITS PURPOSE

3. The application is filed in compliance with ERC Resolution No. 26, Series of 2009, particularly under Article III, Section 3.3 thereof;

FACTUAL ANTECEDENTS

4. On October 15, 2013, at 8:12:13 a.m. local time, a 7.2 magnitude earthquake occurred in Bohol Island. According to the Philippine Institute of Volcanology and Seismology (PHIVOLCS), the epicenter was plotted at 6 kilometers South 24 West (9.86 deg. N, 124.07 deg. E) of the Municipality of Sagbayan at a focal depth of 12 kilometers. The earthquake produced 1) a surface rupture, 2) strong ground shaking, 3) liquefaction, and 4) landslide. Several sinkholes also appeared after the earthquake. Considerable to severe damage to infrastructures and houses were reported and observed in the north- and south-western municipalities of Bohol, including Maribojoc, Loon, Tubigon, Calape, Clarin Inabanga, Buenavista, Danao, Sagbayan, Catigbian, San Isidro, Antequerra, Balilihan and Cortes. These towns were also the areas that felt the strongest

ground shaking at PEIS VII-VIII (destructive to very destructive ground shaking). Damage to houses and infrastructures were also reported in Tagbilaran and in the southern Municipalities of Loboc, Carmen, Lila, Valencia, Albuquerque, Baclayon and Loay¹. Majority of the affected municipalities are within the franchise area of BOHECO I;

PROJECT DESCRIPTION, ESTIMATED COST OF DAMAGES AND PROJECT COSTS

5. The 7.2 magnitude earthquake caused massive damage on BOHECO I's distribution lines and facilities resulting to power blackout. It conducted technical assessments of the extent of damage and was able to identify the lines and facilities as listed below:

a) Distribution Lines Damaged and Corresponding Costs of Damage.

Project Description	Address	Cost of Damage	Kilometer of Line			
			3Ø	1Ø	O.S.	U.B.
1Ø Primary Line	Cambansag, San Isidro	35,395.83		0.385		
Pole Relocation	Cansaguit, Loon	20,010.92				
Line Repair & Reroute	Cansaguit, Loon	72,441.85	0.3			
Line Re-route	Poblacion, Cortes	230,625.75				
Line Re-route	Pandol, Corella	142,731.70		1.25		
Line Re-route	Sampoangon, Calape	116,965.44		0.875		
Line Re-route	Boyog Sur, Balilihan	29,260.42		0.25		
Line Re-route	Candaigan, Loon	37,132.83		0.73	0.465	0.73
Pole Replacement	Genomoan, Loon	20,010.92	Not Applicable			
Line Re-route	Can-omay, Antequera	31,430.92	0.2			
Total		736,006.58	0.50	3.49	0.47	0.73

b) Facilities that were damaged and the corresponding costs of damage.

¹ QRT Report of Investigation Conducted on 16-25 October 2013 as published in the PHIVOLCS website.

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**Re: Substation & 69kV Line Equipment Damage due to M7.2 Earthquake
last October 15, 2013**

No.	Substation	Equipment	Unit	Quantity	Total Cost
1	Dampas Substation	DC Battery, 12V, 100Ah	pcs	10	160,000.00
2	Maribojoc, Tapping Point	69kV ABS / Isolator	set	1	380,000.00
		SF6 Dead Tank Breaker	set	1	1,800,000.00
		69kV Lightning Arrester	pcs	3	150,000.00
3	Maribojoc Substation	69kV Potential Transformer (Oil Impregnated Type)	pcs	3	1,500,000.00
4	Macaas Substation	DC Battery, 12V, 100Ah	pcs	10	160,000.00
5	Carmen Tapping Point	69kV Switcher (Interrupter & Disconnecter)	set	1	1,451,948.90
6	Carmen Substation	69kV ABS/Isolator	set	1	380,000.00
		69 kV Oil Circuit Breaker	set	1	1,200,000.00
				Total	5,981,948.90

6. Rerouting, repair, replacement and restoration of the damaged distribution lines and facilities were done phase by phase incurring un-programmed expenditures in the estimated amount of Fourteen Million Seven Hundred Forty Four Thousand One Hundred Forty Two and 84/100 PESOS (PhP14,744,142.84). Hereunder are the projects it has undertaken after the occurrence of the force majeure event which consists of the rerouting, repair, replacement and restoration of its damaged distribution lines and facilities described as follows:

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Re: Distribution Line Damaged due to October 15, 2013 M7.2 Bohol Earthquake

Project Description	Address	Project Cost	Kilometer of Line			
			3Ø	1Ø	O.S.	U.B.
1Ø Primary Line Rerouting	Cambansag, San Isidro	275,520.97		0.385		
Pole Relocation due to landslide	Cansaguit, Loon	40,388.93				
Line Repair & Reroute due to landslide	Cansaguit, Loon	196,236.89	0.3			
Line Re-route due to landslide	Poblacion, Cortes	88,007.27				
Line Re-route due to landslide	Pandol, Corella	424,358.66		1.25		
Line Re-route due to landslide	Sampoangon, Calape	266,470.34		0.875		
Line Re-route due to landslide	Boyog Sur, Balilihan	57,936.80		0.25		
Line Re-route due to landslide	Candaigan, Loon	637,629.08		0.73	0.465	0.73
Pole Replacement due to landslide	Genomoan, Loon	52,108.48	Not Applicable			
Line Re-route due to landslide	Can-omay, Antequera	135,485.42	0.2			
Total		2,174,142.84	0.50	3.49	0.47	0.73

Re Substation & 69kV Line Equipment replacement of Damage due to the M7.2 Earthquake. (In compliance to PGC)

No.	Substation	Equipment	Unit	Quantity	Estimated Project Cost
1	Dampas Substation	DC Battery, 12V, 100Ah	pcs	10	160,000.00
2	Maribojoc, Tapping Point	69kV Air Break Switch	set	1	500,000.00
		69kV SF6 Dead Tank Circuit Breaker	set	1	1,800,000.00
		69kV Current Transformer (Protection)	pcs	3	1,500,000.00
		69kV Lightning Arrester	pcs	3	150,000.00
3	Maribojoc Substation	69kV Potential Transformer (Metering)	pcs	3	1,500,000.00
		(Oil Impregnated Type)			
4	Macaas Substation	DC Battery, 12V, 100Ah	pcs	10	160,000.00

5	Carmen Tapping Point	69kV Air Break Switch	set	1	500,000.00
		69kV SF6 Dead Tank Circuit Breaker	set	1	1,800,000.00
6	Carmen Substation	69kV Air Break Switch	set	1	500,000.00
		69kV Current Transformer	pcs	3	1,500,000.00
		69kV SF6 Dead Tank Circuit Breaker	set	1	2,500,000.00
				Total	12,570,000.00

PROJECT FINANCING PLAN

7. It shall recover the cost of the emergency rerouting, repair, replacement and restoration of damaged distribution lines and facilities in ten (10) years through loan with NEA which amortization be sourced out from the Reinvestment Fund for Sustainable Capital Expenditures (RFSC) with the following rate impact:

Year	Amortization (PhP)	Energy Sales (kWh)	Rate Impact (PhP/kWh)
2014	-	116,217,845	-
2015	1,726,566	121,091,703	0.0143
2016	1,726,566	125,697,180	0.0137
2017	1,726,566	130,064,660	0.0133
2018	1,726,566	134,219,744	0.0129
2019	1,726,566	138,184,124	0.0125
2020	1,726,566	141,976,309	0.0122
2021	1,726,566	145,612,199	0.0119
2022	1,726,566	149,105,547	0.0116
2023	1,726,566	152,468,322	0.0113
2024	1,726,566	155,711,011	0.0111
2025	1,726,566	158,842,848	0.0027
	158,842,848		

8. The immediate rerouting, repair, replacement and restoration it conducted are necessary to insure a safe, reliable and efficient power service for the benefit of the member-consumers;

APPLICATION FOR AUTHORITY TO SECURE LOAN

9. The implementation of the aforementioned CAPEX shall be financed by funds sourced through loan from NEA. In this

connection, and for purposes of such integrated application for authority to secure loan from NEA, all allegations thereto pertaining are hereby repleaded;

COMPLIANCE WITH ERC RESOLUTION NO. 26,
SERIES OF 2009, ARTICLE III, 3.3

10. BOHECO I filed a Notice of Force Majeure Event dated December 26, 2013, copy of which is marked as Annex "B". The said notice was received by the Commission on January 9, 2014 as evidenced by the Inquiry Form on Domestic Recorded Mail which is marked as Annex "C". It prayed for an extension of time to file the application, copy of which is marked as Annex "D"; and

PRAYER

11. It prays that the Commission after due notice and hearing confirm/approve its force majeure event capital expenditure projects and grant authority to secure loan from NEA.


The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **December 4, 2014 (Thursday) at two o'clock in the afternoon (2:00 P.M.) at the Principal Office of BOHECO I, Brgy. Cabujilan, Tubigon, Bohol.**

All persons who have an interest in the subject matter of the proceeding may become a party by filing, at least five (5) days prior to the initial hearing and subject to the requirements in the ERC's Rules of Practice and Procedure, a verified petition with the Commission giving the docket number and title of the proceeding and stating: (1) the petitioner's name and 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.

All other persons who may want their views known to the Commission with respect to the subject matter of the proceeding may file their opposition to the application or comment thereon at any stage of the proceeding before the applicant concludes the presentation of its evidence. No particular form of opposition or comment is required, but the document, letter or writing should contain the name and address of such person and a concise statement of the opposition or comment and the grounds relied upon.

All such persons who may wish to have a copy of the application may request the applicant, prior to the date of the initial hearing, that they be furnished with a copy of the application. The applicant is hereby directed to furnish all those making such request with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs. Likewise, any such person may examine the application and other pertinent records filed with the Commission during the usual office hours.

WITNESS, the Honorable Chairperson, **ZENaida G. CRUZ-DUCUT**, and the Honorable Commissioners, **ALFREDO J. NON**, and **JOSEFINA PATRICIA A. MAGPALE-ASIRIT**, Energy Regulatory Commission, this 4th day of November, 2014 at Pasig City.


ATTY. NOEL J. SALVANERA
Director III, Legal Services